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Japan

Kaifu, Cabinet Members Deliver Speeches to Diet

Kaifu Delivers Policy Speech

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[Prime Minister Toshiki Kaifu's policy speech in the main chamber of the House of Representatives upon resumption of the Diet's 120th ordinary session—live]

[Text] On the occasion of the 120th ordinary Diet session, I would like to explain the outlook for the situation both at home and abroad, clearly state my policy directions, and seek the understanding and cooperation of all of you.

The world has now greeted the last decade in moving towards the 21st century. Looking back, the world has been dominated until quite recently by a structure of cold war between the East and the West, centered on confrontation between the two powers, the United States and the Soviet Union, following the two miserable and tragic world wars. However, while overcoming various trials, mankind is now going to open up a new door in history to greet the brilliant future. With the U.S.-Soviet relationship playing the central role, the world has started to move steadily from the age of confrontation toward the age of dialogue and cooperation. With the achievement of democratization in Eastern Europe and unification of Germany, and through the adoption of the Paris Charter, the age of confrontation and division came to an end in Europe, which used to be the central stage for the cold war.

At this historical point, Iraq has taken the reckless act of intruding into Kuwait. In response to this unlawful act, the international community has, from the very beginning, adopted several resolutions at the UN Security Council based on UN recommendations, and established a system of unprecedented cooperative relations through the activities of the multinational forces, as well as international sharing of related expenditures. Moreover, in seeking a peaceful settlement of the situation, various efforts, including those by our nation, were made on an international basis until 15 January—the deadline indicated by the United Nations. Iraqi President Husayn, however, has disregarded all of this and has trampled underfoot the efforts of the international community to reach a peaceful solution. This is regrettable indeed. Such an act should never be tolerated in view of maintaining an international order in the future with the United Nations taking the leading role.

It is precisely for this purpose that, regardless of ideologies and beliefs, more than 20 nations have joined in the multinational force at present and many more nations have provided material and personnel support. Since Japan has come to take an important position in the international community, it certainly is our nation's natural obligation to make positive contributions to dealing with the situation. If we should fail or neglect to do what we can, we would be taking a road towards becoming isolated in the international community. This is a road which must be avoided by all means.

From this point of view, our country expresses its firm support for the exercise of armed force taken by the United States and the other nations concerned as an inevitable last resort based on the UN Security Council Resolution 678. Moreover, within the framework of our Constitution, we are determined to provide as much support as possible to the actions taken by various nations concerned in their efforts to restore international peace and security. For this purpose, in addition to the measures we have taken as our contributions, we have decided to provide additional support by paying a total of $9 billion as the expenditures currently needed by various nations concerned.

For our nation to fulfill its international role from the standpoint of justice taken by the international community that invaders should never be tolerated, this additional support is by all means necessary. Our fellow countrymen will hereby be asked to shoulder their corresponding shares, and I sincerely request your understanding and cooperation. [applause, other noises from the audience]

Furthermore, in cooperation with concerned international agencies in order to extend our helping hand to refugees, we have decided to provide as much assistance as we possibly can. In this connection, we have decided to pay the full amount of the current expenditures which the UN agencies responsible for internationl refugee relief work have asked the international community to pay. Particularly, in connection with the humanitarian and nonmilitary work of transporting refugees back to their home countries, we have strongly asked our civilian airlines for their cooperation with the precondition of guaranteeing safety, and we have obtained their agreement despite difficult circumstances. Preparations have already been completed so that aircraft can be dispatched immediately at the request of the international agencies concerned. [noises from the audience.]

Moreover, if emergency airlifting should become necessary on humanitarian grounds under a situation in which no civilian aircraft can be dispatched, we have decided to use Self-Defense Force [SDF] transport aircraft for transportation as the need arises. I am firmly convinced that for our nation to take the lead in fulfilling such obligations in the humanitarian and nonmilitary field complies with the basic concept of our Constitution. [applause]

We strongly demand that the Iraqi Government respect the united will of the international community and immediately accept all the resolutions adopted by the UN Security Council. [applause] And it is our earnest hope that combat actions in the Gulf area will come to an end soon, and that everlasting peace and justice will be achieved in the Middle East as soon as possible. [applause]

In order to prevent such a situation from arising in the future, it will be necessary to enhance the authority and functions of the United Nations in ensuring international peace and security, and it is also necessary for all nations to cooperate in a positive way. It is my understanding that through deliberations on the UN Peace Cooperation Bill held at the last extraordinary session of the Diet, and also through debates held among the people of all levels of society, our fellow countrymen have reached a common understanding that it is necessary for our nation to make contributions to peace by providing assistance not only in materials and funds, but also in personnel. [applause]

Regarding the new concept of international cooperation, I am thinking of working out as soon as possible a definite plan based on the respect for an agreement reached between the Liberal Democratic Party [LDP], the Komeito Party, and the Democratic Socialist Party [DSP].

In connection with the current situation, it is necessary to take tough measures to prevent the proliferation of various biological and chemical weapons, and missiles. It is also necessary to exercise appropriate control on trade in conventional arms so as to gain greater transparency and openness. I feel keenly the necessity of these measures for the future stability of the Gulf region and the entire world. I intend to work for an early conclusion of talks on banning chemical weapons and for international efforts to that end.

It is an important task for Japan to ease further tension in the Asian and Pacific region to develop the regional economy. Japan should play a positive role in removing confrontations and conflicts lingering in the region and in bringing peace and prosperity to the entire region. I believe that it is important for Japan to expand cooperation and dialogue with nations in the region, including ASEAN, to secure lasting stability and prosperity, and to seek to resolve the Korean peninsula issue—a destabilizing factor in the region—and the Cambodian issue. I also believe that it is important for Japan to seek drastic improvement in Japan-Soviet relations.

There have been signs of detente on the Korean peninsula as evident in South and North Korea holding prime ministers' talks, and the establishment of diplomatic relations between South Korea and the Soviet Union. Japan should act positively to foster this climate. Japan's fundamental policy toward the Korean peninsula is to strengthen friendly and cooperative relations between Japan and South Korea. My latest visit to South Korea settled the question of third-generation Koreans in Japan. During my visit to South Korea, I and President No affirmed three principles on the new era between our two countries. I will work positively to further develop future-oriented relations between the two countries.

With regard to relations with North Korea, our two countries will soon hold formal talks on normalizing diplomatic relations. Taking into account the situation on the Korean peninsula, Japan will hold formal talks with North Korea as a way of contributing to peace and stability on the Korean peninsula, while maintaining close contacts with nations concerned, including South Korea and the United States.

Regarding the Cambodian issue, last December an agreement was reached on holding the Paris Conference at an earlier date thanks to efforts of nations concerned. Japan has until now worked vigorously for peace in that country. I plan to call on factions involved in Cambodia to work vigorously for the solution of unsettled problems, and on all the nations concerned to cooperate closely with one another, giving consideration to achieving peace in Cambodia following reconciliation among the factions, and reconstruction in Indochina.

Perestroyka in the Soviet Union is facing a crucial phase in which the true value of this policy is questioned. I have highly appraised and supported perestroyka, believing that if President Gorbachev promotes it in the right direction for the construction of a democratic society in which humanity is respected, it will be indispensable for the world's peace and stability.

In this connection, I have no choice but to express my deep concern over the use of force in the Baltic nations. Japan strongly demands that the situation there be settled peacefully and democratically. In light of these developments, Japan-Soviet relations are about to face a most crucial time in their post-war negotiations, with President Gorbachev scheduled to visit Japan in April this year. To drastically improve Japan-Soviet relations it is necessary to conclude a peace treaty after resolving the territorial issue. The Japanese people do not want a policy of separating politics from economics which is aimed at only promoting economic relations with the Soviet Union, leaving the northern territories issue unresolved. I would like to ask President Gorbachev to do his utmost to make his visit to Japan an historical breakthrough in relations between Japan and the Soviet Union. I will not spare my efforts to that end. A courageous decision is needed to truly end the post-war era in Japan-Soviet relations.

With regard to relations with China, I hope that China will develop its relations with other foreign nations. I also hope that China will continuously pursue its reform and open-door policies and play a constructive international role. Japan, attaching importance to relations with China, will cooperate with China as much as possible in that country's efforts for modernization.

Japan-U.S. relations are an axis of Japan's foreign policy. It is very important to firmly maintain Japan-U.S. cooperative relations in undertaking Japan's active diplomacy for peace and prosperity in the Asian and Pacific region and for creating a new international order. Against the backdrop of progress in Japan-U.S. relations of interdependence, there is a possibility that the two countries could be compelled to address difficult problems in the future.

However, being aware of our common responsibility for the world's peace and prosperity, the two countries are advancing bilateral joint work, while taking follow-up measures agreed upon at the Japan-U.S. Structural Impediments Initiative talks. We, as allied nations, need to further strengthen our global cooperation and global partnership. The government previously decided to create a Japan-U.S. friendship fund, and this fund was created with the aim of expanding exchanges and communication among the people of the two countries. I intend to make President Bush's visit to Japan a chance to further consolidate the foundation for cooperative relations between the two countries. The Japan-U.S. Security Treaty, which is the basis for Japan-U.S. relations, is indispensable for the safety not only of Japan, but of the Asian and Pacific region.

The government will maintain Japan-U.S. security arrangements and will seek to increase their trustworthiness. The government will carry through the exclusively defensive defense policy under the peace-oriented Constitution. Japan will not become a military power which can pose any threat to other nations, and will stick to civilian control of the military, while adhering to the three non-nuclear principles. The government will build Japan's defense capability in a moderate way in line with the mid-term defense buildup plan which has recently been drawn up. Thus, the government plans to work continuously to build an efficient defense capability in a moderate way. Taking into account a situation where the military hardware level set by the Defense Buildup Guidelines is expected to be almost reached during the mid-term defense buildup plan, the government will pursue a policy of replacing or modernizing major military hardware and of improving the living environment for members of the Self-Defense Forces and such rear support functions as information and communications. Regarding Japan's cost sharing for U.S. forces in Japan, the government—from the standpoint of seeking the efficient operation of the Japan-U.S.security arrangements—is considering taking new measures for Japan's assistance to U.S. forces in Japan under the mid-term defense buildup plan.

European nations which share the same sense of values in terms of free democracy, market economy, and social system with Japan and the United States, are presently working vigorously for the creation of a new order, with the European Community playing a key role. I will strive to build friendly and cooperative relations with them through furthering close relations in the political, economic, and cultural fields and cooperating with East European nations in their economic reconstruction.

In the international economy, the pressure for protectionism still remains strong as economic globalization further progresses. Strengthening and maintaining the multilateral free trading system has become an urgent task. The ministerial talks of the Uruguay Round held in Brussels last December failed to reach a final agreement, and other talks will be held. The Uruguay Round talks are charged with the important role of creating a framework for the world's economic prosperity toward the 21st Century. If no agreement is reached at the talks, this will lead to the quick advent of protectionism and to serious consequences for the world's economy. Japan, which is benefiting largely from the free trading system and is a major player in the internaional economic order, will do its best to make the talks a success. To hold an honorable status in the international community and receive respect and confidence from the rest of the world, it is necessary for Japan to play a leading role in tackling and resolving such global issues facing humanity as the environmental and drug issues, which the people of the world hope will be resolved. Japan will provide positive aid to developing nations in Asia, Africa, and Latin America, which are suffering from accumulated debt and other social and economic problems, and East European nations which are facing the difficult task of shifting to a market economy, thereby contributing to a balanced economic and social development in those nations.

Japan has continued to expand its economy, led by growing domestic demands, for more than four years. Of late, however, an uncertain economic situation—as seen in unstable crude oil prices caused by the Gulf crisis and the economic recession in the United States—has emerged. The government will continuously place emphasis on bringing prices under control, while giving consideration to econmic policy coordination with major nations, and will seek development in economic activities and stable employment. It will also address trade imbalances through increased imports, and stable exchange rates by managing the economy properly and flexibly. The government will also work to prolong the expansion of the economy centering on increased domestic demand as long as possible.

Through such economic management, Japan will change its economy into an internationally balanced structure. Although, fortunately, commodity prices are changing in a stable manner, the government will give adequate consideration to their stability by paying careful attention to the trends in crude oil prices, exchange rates, and the supply and demand for the work force, while promptly providing accurate information and strictly monitoring overall price increases. With regard to the issue of a price gap between Japan and abroad, the government will continue striving for its redress and reduction.

Due to the dependence on the Middle East region for more than 70 percent of its crude oil, the government has endeavored to reduce as much as possible the influence of the Iraqi invasion of Kuwait upon the national life and industrial activity. Fortunately, as compared to the situation during the two oil crises in the past, Japan's economic dependence on oil has been remarkably lowered, and through more effective use of our nations's 142 days worth of oil stockpiling in cooperation with the rest of the international community, it is our judgment that any major impact on domestic oil markets and living standards for our people can be avoided for the time being.

However, the government will continue to give thought to our fragile energy structure and actively come to grips with thorough- going resource-saving and energy-saving programs, including the development and introduction of atomic energy and other oil- substitute energies. At the same time, it will also play a trump card in securing the stable supply of oil. In this regard, I call for the nation's redoubled efforts toward saving energy.

The stabilization of employment and the development of creative and vital small- and medium-scale enterprises which can cope with severe environmental changes are very important tasks. For this reason, the government will enrich and strengthen its small- and medium-sized business policy by striving to secure and stabilize the work force, particularly centering around small- and medium-sized businesses where a shortage of workers has been spreading in recent years. At the same time, the government will endeavor to improve the imbalance in the supply and demand for the work force by ensuring employment opportunities for senior citizens and the handicapped, helping develop occupational capabilities, and working out regional employment measures.

To help maintain and promote fair and free competition among entrepreneurs, the government will strictly deal with actions which violate the Antimonopoly Law, as well as strive to strengthen controls. At the same time, it will adopt policies to enhance clarity in the application of the Antimonopoly Law.

In the proposed fiscal 1991 budget, the government made a new start for reducing the issuance of public bonds as much as possible and for making our national finances healthy. However, the balance of the public bonds is apt to reach as much as 168 trillion yen by the end of 1991, and there is no change in the fact that our national finances are still in a very tough situation.

In order to maintain the vitality of the economic community even in an aging society and to fulfill increased responsibilities in the international community, it is important that we build our financial constitution whereby the balance of public bonds does not increase progressively. Because of this, the government will continue its efforts to lower the dependence on public bonds, mainly by not issuing deficit-covering public bonds again.

The government will also carry out administrative and fiscal reforms on both the national and local levels, giving maximum respect to the final package of recommendations presented by the second Deliberative Council on Administrative Reform [Gyokakushin]. At the same time, it will continue to address this issue seriously by promoting deliberations at the Gyokakushin on new tasks for reform, including measures for attaching importance to national life and for internationalization.

The government is resolved to work for the smooth management of local finances.

Regarding the tax system issue, including the consumption tax, the government hopes to obtain a constructive agreement at a joint consultative meeting of both houses of the Diet, taking the necessity of the consumption tax into consideration. If a concrete conclusion is drawn up, the government will faithfully and promptly act in accordance with that purport.

To find a drastic solution to the land issue and to break down the myth about land, it is necessary to stop giving impetus to a sharp increase in land prices again. Thanks to the strengthened operation of monitoring zones and the control of land-related loans—measures which have been carried into practice to date—land prices have tended to relax in Tokyo, Osaka, and other areas where the problem is serious. Thus, signs of their results have begun to show. In order to produce further steady results, the government will continue to define this issue as the most important task in the domestic administrative area and endeavor to carry out effective policies on the basis of the newly adopted Outline for the Promotion of Comprehensive Land Policy in accordance with the ideal of the Basic Land Law. Thus, it will take comprehensive and structural measures in both the supply and demand areas.

In the area of the taxation system, the government intends to make an overall review of each stage of the possession, transfer, and acquisition of land, including the formulation of land taxes, and to introduce the required bill to the current Diet session. Through these efforts the government will strive to bring about a land price level at which middle class workers can acquire a certain quality of housing with an appropriate financial burden.

To create residential living in which the people can actually feel affluent, the government will formulate the Sixth Five-Year Housing Construction Plan and strive to build up quality housing stocks and a good housing environment in a planned manner.

To redress the phenomenon of unipolarization in Tokyo and to promote the balanced, multipolarized, and scattered development of national land is an important task which will contribute not only to solving the land and housing problems but also to bringing about an affluent national life as well.

To this end, the government will carry out the decentralization of urban industrial functions, including the transfer of national administrative agencies, and enrich the basic transportation facilities by promoting the construction of new Shinkansen [bullet train] lines in a planned way and the practical application of a linear motorcar system. The government will also promote a nationwide interchange network concept by systematically maintaining the highway networks and the advanced information communications networks, which are closely associated with life.

By promoting regional development programs, and by bringing into play creativity and ingenuity—trends on the rise with the Furusato [Hometown] Development Initiative of former Prime Minister Noboru Takeshita as an example, the government will strive for the vitalization of local communities and the buildup of local areas in such a way as to enable people to be proud of living there. To this end, while endeavoring to build a powerful system and enrich the related facilities for attaining this end, I advocate promoting the development of local communities with the aim of redoubling their vitality according to their individual traits. I will also continue to exert active endeavors for the comprehensive development of Hokkaido and the development of Okinawa. I will also strive for antidisaster measures and for the preservation of national land in conformity with the actual state of local communities.

As regards the question of transferring the functions of the capital, the government has inaugurated a council of knowledgeable people in accordance with a recently adopted Diet resolution. The government will conduct examinations, taking nationwide debates into consideration.

In order to turn the earth into a comfortable place for us to live, it will be necessary to keep the demands which economic activities impose on the earth's resources to a minimum and to reconcile the dual priorities of environmental conservation and the steady economic development in our society. For this purpose, while enforcing measures for conserving energy and resources on a global basis, it is thus necessary to create a recycle-oriented society, so to speak, in which great attention is paid to the use of precious resources, through strengthening and enhancing measures for the disposal of waste matter.

In this connection, while basically revising the existing waste disposal system, we plan to promote efficient use of resources by taking such measures as turning waste matter into raw materials or into resources again at various stages of production, circulation, and consumption.

Moreover, in regard to solving various global environment problems, we plan to fulfill our leading role in creating international frameworks. At the same time, we will make such efforts, in a comprehensive way, as to steadily carry out the action program for preventing global warming, to work out a concrete plan for global regeneration, and to provide financial and technological assistance to developing nations. In taking all these measures, we will endeavor to transform our society into one which is engaged in environmental preservation work which deals with the earth in a friendly way.

In order to create a society in which our fellow countrymen can truly feel affluent, it will be necessary and essential to improve the social infrastructure, including sewer systems, environmental sanitation, and urban parks, in a planned way. The government worked out the Basic Program for Public Works Investment last June, in which the framework as well as basic orientation for investment in public works over the next 10 years were mapped out. On the basis of this program, we plan to improve the social infrastructure centered on enhancing the quality of our people's livelihood so as to create a comfortable land in which we may enjoy a quality life.

So that the distribution sector can provide quality goods and services to meet the more diversified and sophisticated consumer needs at low prices, such measures as revising the Large-Scale Retail Store Law will be taken to streamline and clarify the coordination procedures for opening new stores and for making other changes. At the same time, we will also work out comprehensive measures to promote the creation of attractive shopping districts and commercial centers integrated into consumer lifestyles, and to facilitate the development of new retail industries and to create new distribution structures.

In addition to their crucial mission of steadily providing those foodstuffs that are vital to our people's livelihood, agriculture, forestry, and fisheries also play an indispensable role in developing our economic society as well as in stabilizing our people's livelihood. For example, they sustain the vitality of local communities and contribute to land and nature conservation. Moreover, farming, forestry, and fishing villages play important and multifaceted functions in sustaining richly distinctive local cultures and in providing opportunities for our people to rediscover the joy of living.

In promoting the agriculture, forestry, and fisheries policy in the future, I will make efforts to improve the production infrastructure; develop and diffuse advanced technology; foster ambitious successors who are willing to shoulder the responsibility of this age and who are also eager to carry on; and to advance other policies in line with a solid long-term outlook so as to create a climate in which everyone engaged in farming, forestry, and fishing will work with pride and hope, as well as to create cheerful and comfortable farming, forestry, and fishing villages that are full of vitality.

With regard to rice, which forms the basis of our agriculture, in view of the special importance of rice, and in line with the spirit of the relevant Diet resolutions, I intend to deal with this issue with our basic policy of self-sufficiency from domestic production. [applause]

With the approach of a truly aging society, such major changes as lower reproduction rates and greater participation of women in the work force are taking place in the environment that involves children and the home. I intend to further develop new welfare policies for the creation of a welfare-oriented aged society in which everyone from youngsters to the elderly can live a long, happy, healthy, and worthwhile life.

While continuing to forcefully promote the Ten Year Strategy for Improving Health Care and Welfare for the Aged, I intend to review insurance provisions for the elderly, to create a system for health care with a provision of health care to the aged as the main task, and to work for the system's long-term stability. At the same time, I will take such measures as enhancing the system for child allowances and establishing a system for child-care leave so as to create an effective and necessary environment and conditions whereby those who want to have children can have them and raise them in good health.

Moreover, for the purpose of ensuring the health of our people during their lifetime, I will also work vigorously, for example, to efficiently provide quality medical care—including policies aimed at preventing disease, curing the so-called incurable ailments, and improving emergency medical care; to combat drug and stimulant abuse; and to strengthen food safety policies. I will also devise and implement carefully tailored policies for homes for the handicapped and orphans.

Although our country has become materially affluent, it is important, if we are not to become a nation which is materially rich but spiritually poor, that we implement education policies that do not put inordinate stress on learning facts, and that encourage individuality and creativity. We must also establish foundations which will enable all our people to feel an affinity for the arts and culture, and to take part in the creation of new culture. At the same time, we will make efforts to provide lifelong educational opportunities and also to promote sports. I will also make vigorous efforts to promote science and technology, including promoting basic creative and other academic research, and to promote the development and utilization of space, oceans, and nuclear power. At the same time, I will further promote international exchanges in all these fields.

It is also an important task to institute policies to vigorously improve the working environment, including shortening working hours. For this purpose, the government has embarked upon policies to promote the diffusion of systems providing for two full days off every week, and also other policies. I very much hope that these efforts will win the cooperation of all our people and enterprises.

Examining the recent situation in public safety, it has become increasingly severe as seen by the frequent occurrence of confrontations and rivalries among gangster groups, the serious aggravation of the abuse of various drugs, and the brutalization through terrorist and guerrilla activities. Insurance of public safety is the basis for a law-governed country, and the government will use a trump card in securing a safe national life. In view of the latest increase in fatal traffic accidents, it will also endeavor to ensure traffic safety.

On the occasion of its centennial last year, the Diet took the first step toward its new century. At this memorable juncture, I will come to grips with the establishment of the politics of trust with a renewed determination.

Political fairness is the basis of social fairness in any democratic state, and I believe it is absolutely imperative that we push forward with political reform. To this end, it is important above all to establish political ethics. Along with this, it is necessary to reform the very structure of politics and elections, to ensure greater transparency in political funding, and to institute systems downgrading the importance of money in elections, refocusing elections on policy issues, and elevating the role of parties. Fully respecting the recommendations of the Election System Deliberative Council, the government is firmly resolved to reform the election system and political funding as an integrated package and to ensure equality of voter representation. We hope to have a proposal for the Diet to consider as soon as possible, and I trust that all parties and floor groups will give this effort the benefit of their understanding and cooperation. [applause]

Last year we witnessed the holding of the ceremonies of accession to the throne and of Japan truly embarking upon the Heisei era. Along with renewing our vows as a nation of peace, I am determined that Japan should also be a nation treasuring the values of freedom and democracy and a nation which meets its responsibilities for peace and prosperity as a member of the international community, and especially as an Asian nation, as we go forward to the 21st century. [applause]

Having transcended the East-West cold war structure, the world is moving steadily forward to a new era. Just as last year's Houston summit declared that the final ten years of this century should be a decade of democracy, the values of freedom and democracy are now being more universally accepted. The world is truly moving to become one, and is groping for structures with which to build a new world order. On the other hand, however, there are new dangers arising from conflicts and confrontations that were overshadowed by the cold war but are now coming to prominence. It is in such circumstances as these that Japan, as a responsible free democracy, must make continued efforts for the establishment of the post-cold war world order; Japan must create frameworks for peace in order to fulfill its responsibilities to the destiny that awaits us in the 21st century. [applause]

Having grown into a country which exercises significant influence upon the world economy, Japan needs to achieve a domestic society in which all of the people have a heartfelt sense of being well-off. At the same time, we must make Japan a culturally rich nation by promoting the arts, culture, sports, and other human endeavors. While Japan has created today's industrial society with a strong emphasis on production and supply, let us now, while maintaining this firm foundation, work to build a fair and rich-feeling society founded upon consumer-orientation, enhanced standards of living, and a domestic-demand-centered growth. [applause]

Mindful of the major currents sweeping the world and of Japan's place in the world, I am determined to do everything possible at the government's helm to ensure that all people are able to usher in the 21st Century with hope and bright spirits.

I once again ask for your understanding and cooperation. [applause, mixed with jeers]

Nakayama Gives Foreign Policy Speech

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[Foreign Minister Taro Nakayama's foreign policy speech in the main chamber of the House of Representatives upon the resumption of the Diet's 120th ordinary session—live]

[Text] At the resumption of this 120th session of the National Diet, I would like to state my views with regard to our nation's basic policy of diplomacy.

The international community currently is undergoing historic and drastic changes. Economic systems have failed and old-time ideologies have degenerated in various socialist nations. Meanwhile, the values of liberty and democracy, as well as of market-oriented economy, have been reconfirmed. The East-West relationship now has shifted from one of ideological confrontation to one of dialogue and cooperation. Moreover, along with promoting dialogue and cooperation, the sincerest efforts are being made to establish a new international order.

Although the Soviet Union has begun domestic reforms, it has encountered difficulties in the political, economic, and social fields. The outlook for its reforms remains rather cloudy as yet. Furthermore, the international community is still faced with problems associated with uncertainty and instability, which are characteristics of a transitional period. Various factors remain that may lead to confrontation and conflict between nations, and it is still quite possible that regional conflicts might break out.

This fact is symbolically demonstrated by the Gulf crisis, which has resulted from the Iraqi invasion of Kuwait last August. In dealing with this situation, the UN Security Council adopted a series of resolutions demanding Iraq's complete withdrawal from Kuwait. In addition to this, a large number of nations, strongly unified around the United Nations, have promoted extensive cooperation with the aim of restoring peace and stability to the Gulf region.

As far as our nation is concerned, we have steadily implemented our policy of contributions toward a settlement of the Middle East issue by allocating a total of $4 billion. At the same time, we have undertaken diplomatic efforts toward reaching a peaceful settlement. For example, we have strongly and repeatedly called on the supreme authority of the Iraqi Government to immediately adhere to the UN Security Council resolutions. Iraq, however, has consistently insisted on ignoring these resolutions, as well as the efforts made by various nations to reach a peaceful settlement, including UN General Secretary Perez de Cuellar's visit to Iraq. The use of armed force initiated by the multinational forces on 17 January was an action based on the UN Security Council resolutions and taken as a last resort. We have explicitly stated our firm support for this action. [applause]

It is most regrettable that all of the efforts made by the international community to reach a peaceful settlement have so far been futile because Iraq has stubbornly rejected the demand to withdraw from Kuwait. Moreover, Iraq should be sternly denounced for unilaterally launching missile attacks against Israel. [applause mixed with jeers]

Since the end of the last war, our country has abolished war as a means of settling international disputes. We are determined to ensure our security and existence by trusting in the justice and faith of other peaceloving nations. In this regard, the maintenance of a fair and stable international order is all the more indispensable to our survival and we can never tolerate any attempt to destroy this international order with armed force. [applause] Likewise, we should not overlook the attitude of ignoring UN authority for it is this authority which plays an important role in maintaining the international order.

The Gulf region is an important area. It has 65 percent of the world's total oil reserves on which our nation depends for about 70 percent of its oil imports. It is a very important task for our nation to maintain the stability of this area. Many countries, including the United States, have joined in the multinational forces despite their economic difficulties at home; they have joined with a determination to demand sacrifices of their people and to put out enormous amounts in terms of military expenditures. In observing our Constitution, however, we have taken a position of not joining in the exercise of armed force by the multinational forces.

As one of the major industrialized nations with the greatest reliance on this area for its oil imports, if Japan wants to gain the international community's sufficient understanding of the position it has adopted, then at this juncture it is imperative for Japan to volunteer to provide as much support, including financial support, as it possibly can toward ensuring the implementation of the UN Security Council resolutions. [applause]

Since our nation has now become an economic power, there is no denying the fact that the international community all the more has come to expect us to assume a considerably greater amount of the expenditures. [applause] It is no exaggeration to state that unless we take the right measures in providing all that we possible can in both financial support and cooperation in personnel, it is quite possible that we will find ourselves forced into taking a road toward isolation from the international community. [applause]

On the basis of this concept, our government has decided to contribute an additional $9 billion to the Gulf Peace Fund for the support of various nations, including the United States, that are engaged in the efforts to restore peace to the Gulf region. Moreover, we have agreed to pay, and we have immediately contributed, the full $38 million in expenditures needed for refugee relief work which the Office of the UN Disaster Relief Coordinator [UNDRO] has requested the international community provide. We intend to pay further attention to the relief work being done for refugees. [applause]

Furthermore, preparations will be made to use our private sector aircraft and, if necessary, Self-Defense Force [SDF] aircraft, to transport refugees back to their home countries. [applause mixed with jeers]

On the other hand, we strongly hope that the flames of war in the Gulf region will be extinguished as soon as possible. To achieve this, it is indispensable that Iraq be forced to withdraw from Kuwait, and it is strongly demanded that President Husayn make his decision on this at the earliest possible date. International cooperation will still be needed in such fields as enconomic reconstruction, security, and arms control even after Iraq's actual withdrawal from Kuwait in order to ensure long-term stability in the Gulf area.

Since stability in the Middle East can never be achieved without finding a resolution to the Palestinian issue, which is the major cause for instability in this region, it will be necessary for the international community to undertake far greater efforts than before to settle this crisis. As far as our nation is concerned, we intend to further study plans for promoting international cooperation in connection with these issues, to continue our cooperation with the other nations concerned, and to undertake positive efforts to achieve long-term stability in this area. [applause]

The latest Gulf crisis has once again revealed that there is no other country than the United States that can play a pivotal role in safeguarding international peace and security. [applause]

On the basis of this understanding, I visited the United States on the eve of the deadline set for Iraq to carry out the UN resolutions in order to conduct close coordination with regard to various issues related to the Gulf crisis. Japanese-U.S. relations will continue to be the cornerstone of our diplomacy. In some quarters of the United States, however, it has been observed in recent years that, given the accumulated U.S. trade deficits with Japan, our country's economic power constitutes a threat to the United States.

Furthermore, since the start of the current Gulf crisis, there has been a rapidly growing demand for Japan to fulfill far greater obligations. If Japan is to overcome the distrust noted in some U.S. arguments and meet growing expectations both within and outside the U.S. Government, it is imperative for our nation to volunteer to fulfill its role and obligations on the basis of our own judgment. This will strengthen our relations with the United States in the future. [applause]

An indispensable prerequisite for strengthening the Japan-U.S. allied relationship is to improve our nation's defense buildup moderately. We must undertake efforts to enhance reliability and to ensure smooth management of the Japan-U.S. security system.

We greeted the 30th anniversary of the signing of the existing Japan-U.S. Security Pact last year. Looking back, we signed a security treaty with the United States in 1952 at a time when the Far East was in an unstable situation, in order to promote our nation's reconstruction and to guarantee its security. We concluded the existing treaty in 1960 on the basis of equal positions between Japan and the United States. The fact that we have enjoyed peace, achieved unprecedented economic prosperity, and improved our people's living standards despite the drastically changing situation in the international community indicates that we have made the right choice. [applause]

The Japan-U.S. security system has become a framework indispensable for ensuring peace and stability in the Asian-Pacific region. During this period of transformation for international politics, there are efforts being made with regard to this region which place the United Nations in a central role. However, this does not change in the slightest the necessity of adhering to the Japan-U.S. Security Treaty. Based on such an understanding, the government has taken new measures with regard to sharing expenditures for the U.S. forces stationed in Japan. There is a plan to submit a bill on a special agreement concerning this issue to the current Diet session for deliberation. [jeers]

It is important for both Japan and the United States to steadily settle various issues with a spirit of cooperation and joint operation. I feel that it is important for our two nations to strengthen their global partnership in both the political and economic fields, including the creation of a new international order, the management of a global economy, economic development in developing nations, and cooperation in settling various problems that transcend national borders, such as environmental issues.

To further strengthen our mutual understanding, which serves as the foundation for Japanese-U.S. cooperation, we plan to promote dialogue and exchanges between the people of our two nations. We will do this through the effective use of a Japan-U.S. friendship and exchange fund which is to be created with money totaling 50 billion yen. As far as the government is concerned, we will apply this concept to President Bush's visit to Japan, which is scheduled for this spring, and use this visit as a good chance to build new relations between the two countries in the 21st century.

Europe has served as the primary stage for the drastic changes that have brought about an end to the cold war. Similar favorable changes have begun to be noticed in the Asian-Pacific region where our own nation is located. For example, Soviet-Chinese relations have improved, Soviet troops have begun to withdraw from Cam Ranh Bay and Mongolia, and the process of democratization has started in Mongolia.

Various changes pertaining to a defusion of tension can also be seen. These changes include the establishment of diplomatic relations between the ROK and the Soviet Union, China's move toward normalizing its relations with Indochina and Singapore, the progress in South-North dialogue with regard to the Korean peninsula, and the progress in negotiations for peace in Cambodia. It goes without saying that the fact that our nation has begun full-scale negotiations with North Korea on the normalization of diplomatic relations constitutes one such forward-looking move.

Japan's fundamental policy with regard to the Korean peninsula is to strengthen friendly and cooperative relations with the ROK. Following President No Tae-u's visit to Japan last May, Prime Minister Kaifu paid a visit to the ROK in early January. I accompanied the prime minister on this recent visit. As a result of our trip to the ROK, we have reached a decision on the long negotiations that have been held between our two nations on the pending issues pertaining to Korean residents in Japan. At the same time, I think that we have achieved progress in establishing future-oriented Japan-ROK relations for the 21st century. For example, we have affirmed three principles for a new age in relations between our two nations.

With regard to our relations with North Korea, Japan will attend formal talks with the DPRK on the normalization of diplomatic relations with an attitude of contributing to peace and stability on the Korean peninsula and defusing tension there. At the same time, we will take advantage of these negotiations to strongly persuade North Korea to sign an agreement with the International Nuclear Power Agency on measures for guaranteeing safety and accepting international nuclear inspections.

As for the Cambodian issue, as far as our nation is concerned, we plan to further strengthen our diplomatic efforts to achieve a comprehensive peace, including a direct appeal to the Cambodians themselves. Furthermore, once peace negotiations are successful, we intend to provide positive support, including financial assistance for UN activities, cooperation in the deployment of personnel and the return of refugees to their home countries, and assistance in reconstruction efforts.

The ASEAN nations play an important role in ensuring peace and stability in eastern Asia, as well as in promoting the development of a global economy. As far as our nation is concerned, we understand that it is important for us to further strengthen dialogue and cooperation with ASEAN nations not only in terms of economic cooperation in this region but also with regard to various problems existing in the Asian-Pacific region.

It is important for peace and stability in the Asian-Pacific region that amicable relations be developed between our country and China. We strongly hope that China will play a constructive international role by carrying out reform and an open-door policy. Our nation will provide the maximum possible cooperation to help China's modernization efforts, including the step-by-step implementation of the third yen loans which have been committed.

Our country will promote friendly relations with Australia and New Zealand, both of which are beginning to show strong concern in Asian developments. We will provide economic cooperation to developing nations in the Asian-Pacific region through increased investments there. We will also help them expand their trade within the region.

As for Southwest Asia, efforts are being made to extend nonregional cooperation through ASEAN. In this region, however, elements of instability exist such as the Kashmir question. The Afghanistan issue also is demanding further efforts to achieve a solution. There is now a favorable trend for democracy in Nepal and Bangladesh. Our country will provide them what cooperation it can to achieve stability and development.

I think we now stand at a time in which we can earnestly seek and find a way to ensure long-term stability in the Asian-Pacific region. It is only natural that the process to achieve this goal is different from that experienced in Europe. This is due to the fact that geopolitical conditions and the security environment in this region are different from those found in Europe.

First of all, many countries in the Asian-Pacific region are considered developing countries. Hence, the supreme matter of concern for them is economic development. In that respect, this region is very different from Europe where the easing of military tensions—including the threat of nuclear war—has been the subject of ultimate concern.

Second, there has existed in Europe a relationship of East-West confrontation between the two poles of NATO and the Warsaw Treaty Organization. In the Asia-Pacific region, situations have existed which cannot be summarized as East-West relations. Because of the existence of China, the power structure in terms of international relations has been multipolar. In this region, alliances are established primarily between two countries. The interests and understanding of the countries involved differ and vary. As a result, a structure to ensure security for the region as a whole will be complicated.

Third, work on the so-called CSCE began in Europe after the process of resolving border issues following the end of war had been completed. In the Asian-Pacific region, however, there remain such unresolved issues as the

South-North confrontation on the Korean peninsula, the Cambodian question, and the northern territories question between Japan and the Soviet Union.

Fourth, in Europe there is a big, political and economic current toward integration, pushed by the move toward EC integration. In the Asian-Pacific region, however, a relationship of economic mutual dependence, based on the political, social, and cultural diversities and differences in economic development of the region's nations, is being pursued.

If we are to secure peace and stability, taking into account these characteristics of the Asian-Pacific region, then pending issues—like the confrontation on the Korean peninsula, the question of Cambodia, and the northern territories issue—must be resolved. While doing this, it is important that a relationship of dialogue and cooperation be strengthened for long-standing stability in Northeast and Southeast Asia.

As for larger regional cooperation, since economic development is vital for the stability of the region's nations, it is important that cooperation be centered around the economy. Specifically, I think it is important to expand dialogue and cooperation on political and economic issues. In doing so, the best use must be made of the existing ASEAN framework, the expanded ASEAN foreign ministers' talks, the ministerial talks for Asian and Pacific economic cooperation, and the Pacific Economic Cooperation Conference.

On the basis of this thinking, our country will promote dialogue with other nations to seek an international concensus with regard to securing long-term stability for the Asian-Pacific region.

On the other hand, in order to secure stability and prosperity in the Asian-Pacific region, fundamental improvements in Japanese-Soviet relations are crucial. Therefore, it is important to build new relations with the Soviet Union after resolving the territorial issue of the four northern islands and concluding a peace treaty.

Recently I visited the Soviet Union and had frank talks with President Gorbachev and Foreign Minister Bessmertnykh. In the talks, I asked the Soviet leaders to make President Gorbachev's forthcoming visit in April a historical event bringing about a new era in relations between Japan and the Soviet Union, while emphasizing that this country, for its part, will exert maximum efforts to this end.

The Soviet Union, meanwhile, is now in a complicated and difficult position. Economic reform is retrogressing, and there are difficult problems arising in that country involving the Constitution and its member republics. Particularly, there has been the grave situation of armed force being used in the Baltic nations. During my visit to the Soviet Union, I strongly demanded that the situation there be resolved peacefully and democratically. I also conveyed to them Japan's strong hope that the Soviet Union will continue its efforts to move toward democracy and liberalization.

In Europe, the Paris protocol on the CSCE was signed last November, and the termination of the age of confrontation and division in Europe was declared. We can now see a move taking shape there to build a more stable Europe, centering around the EC.

This country will make efforts for further dialogue with European countries, the EC countries in particular, in extensive areas of politics, economics and culture, and to strengthen the relationship of cooperation with them including cooperation at the global level.

Furthermore, from the viewpoint that success in reforms toward democracy and a market-oriented economy by East European countries will contribute to the stability of Europe and the world, this country will continue to actively support the reform efforts of East Europe.

In Latin American countries, there have recently been rapid developments in democratization, and a number of nations are advocating reform programs based on the principle of market-oriented economy. The efforts of the countries concerned to bring peace to Central America have also been making progress. This country will provide further cooperation toward these efforts through international cooperation.

Even in Africa, many countries are making efforts for democratization and economic structural readjustment. Our country will support such efforts as far as possible.

As for the issue of Apartheid in South Africa, the way is opening up for a peaceful solution, thanks to dialogue between the South African Government and black groups. This country will strengthen support for these efforts through expanded dialogue with the parties concerned in South Africa and strengthened support to the blacks in South Africa.

The world economy still remains saddled with problems of large- scale international imbalance among major nations and persistent protectionist pressure. In addition, the economies of the advanced nations have lately slowed down, while the influence of the Gulf crisis has become a matter of concern. Having become the second largest economic power in the world, our country should make further active contributions in order to cope with this situation and to insure a healthy development of the world economy.

As regards the Uruguay Round negotiations, suppose, for argument's sake, they fail. The negative effect internationally would be incalculable. Hence, Japan will do its utmost to make the Uruguay Round a success. Japan will actively promote policy coordination among major advanced nations through summit talks and other venues.

In addition, in order to insure smooth operation of external economic relations, Japan will continue to uphold domestic-demand-centered economic management and, at the same time, strive for expanded imports through further improving the market access situation, relaxing controls, and promoting other structural adjustments.

The further strengthening of the international cooperation initiative—with cooperation for peace, the expansion of the Official Development Assistance, and the strengthening of international cultural exchanges as its three pillars—is also of importance in carrying out the above-stated policies. Our country will continue making efforts toward this end.

From the same viewpoint of contributing to the international community, Japan will continue to step up cooperation for the solution of global environment, narcotics, international terrorism, refugee, human rights, and other problems common to mankind, as well as make contributions in scientific and technological areas, including technological transfer.

Regarding cooperation for peace, Japan has been providing financial assistance for UN peace-keeping activities and, at the same time, dispatching personnel to the UN election supervisory teams in Namibia, Nicaragua, and Haiti. It is important to put into effect, at an early date, a framework for making personnel contributions—including participation in UN peace-keeping activities—more swiftly and effectively in keeping with the spirit of the Constitution. From this viewpoint the government wishes to define, as early as possible, what form this international cooperation should take.

On the subject of disarmament, Japan will actively participate in international endeavors for the strengthening of a nonproliferation structure for nuclear, chemical, and biological arms as well as missiles—the importance of which is being given renewed recognition through the current Gulf crisis—and for added clarity and openness in international transfers of conventional arms.

Japan will exert further efforts for progress in debates on the prohibition of nuclear tests and the adoption at international conferences of a convention for the comprehensive prohibition of chemical arms.

Japan's international cooperation centers around Official Development Assistance [ODA]. Japan's economic potential accounts for more than 10 percent of the world's gross national product at a time when the economic difficulties facing a number of developing countries are worsening further. In view of this, Japan should continue to strive for the expansion and strengthening of ODA. For this reason, Japan will continue its endeavors for a steady quantitative expansion and improvement of the substance of ODA and, at the same time, effectively and efficiently implement assistance in keeping with the fourth mid-term objectives, which are now underway.

In addition, our country will strive to bring about a deeper mutual understanding through the mutual introduction of cultures and exchanges of knowledge with other countries. Japan will also work towards the preservation of cultural legacies of the world and promote cultural cooperation with developing countries.

To carry out diplomatic activities and cope properly with the extremely unstable international situation, it is necessary to further strengthen our posture for carrying out diplomacy. It is also necessary to strengthen a crisis management system, the importance of which was recognized anew through the Gulf crisis, and make arrangements for the protection of Japanese nationals overseas. The government intends to exert further efforts in this regard.

Japan should voluntarily fulfill its responsibility and role in order to insure the peace and prosperity of the world by making the most of its economic and scientific-technological capabilities. Only by so doing can our country win the trust of other countries. Without this trust it is impossible for our country to occupy an honorable position in the international community. [applause]

From this viewpoint, the nation's understanding and cooperation are indispensable to the government in carrying out diplomacy in wide-ranging areas. The government is resolved to do everything in its power in coming to grips with the conduct of active diplomacy, and it once again solicits vigorous support from the nation and members of the Diet. [applause]

Hashimoto Gives Financial Policy Speech

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[Speech by Finance Minister Ryutaro Hashimoto in the main chamber of the House of Representatives upon the resumption of the Diet's 120th ordinary session—live]

[Text] In requesting your deliberation on the proposed fiscal 1991 budget, I will express my ideas on the basic view of future financial and monetary policies and, at the same time, explain the outline of the budget.

The Gulf situation, which had been tense since the invasion of Kuwait by Iraq last August, has entered a graver phase as a consequence of the recent exercise of armed force by the nations concerned under the UN Security Council [UNSC] resolutions.

Although it strongly desires that the hostilities in the Gulf region be terminated at an early date and that a lasting peace and security be achieved in the Middle East as early as possible, the government has recently expressed its resolve to provide as much assistance as possible to the action taken by the nations concerned for the restoration of international peace and security in accordance with the UNSC resolutions. It has also decided to extend as much assistance as possible for the relief of refugees in cooperation with the pertinent international agencies and is already translating this into practice. In addition, the government wants to keep to a minimum any negative influence the Gulf crisis might have on our national economy and strive for the stabilization of national life through international cooperation.

I would like to say a word here in particular about Japan's assistance toward activities for restoring peace in the Gulf region. From the viewpoint of providing assistance appropriate for its position in the international community, Japan has recently decided to contribute $9 billion in new funds to the Gulf Peace Fund in addition to its conventional share. [jeers]

As regards ways and means of finding financial resources to this end, the government hopes to issue temporary national bonds as a stopgap pending the receipt of tax revenues, mainly by taking new, provisional taxation measures without relying on the traditional deficit-covering public bonds. Regarding these measures, the government plans to introduce Draft 1990 Supplementary Budget No. 2 and its related bills separately to the current Diet session for your deliberation.

To provide such assistance is a responsibility that must be actively fulfilled by Japan, which occupies an important position in the peace-aspiring international community. In order to properly fulfill this responsibility, the government finds no other choice but to ask for the nation to share its burden at large. This is to be accompanied by suffering, but keeping in mind the fact that the people of our nation are generally enjoying peace in the international community today, I make an earnest appeal for your understanding and cooperation. [applause, mixed with jeers]

Next, I will speak about the latest economic situations at home and abroad, which form prerequisites for our financial and monetary policies.

Our national economy today is continuing independent expansion centering on domestic demands, with investments in plants and equipment, and individual consumption as its two wheels.

Commodity prices have so far been shifting generally in a stable manner. However, due to the tightening of the supply and demand situation for the work force and the unstable movement of crude oil prices, it is necessary to keep paying careful attention to their trends in the future.

In the external area, the range of surplus in economic revenues and expenditures is narrowing and the redress of external imbalances is making steady progress.

Taking a look at the international economic situation, aspects of a business recession are beginning to turn up in advanced nations such as the United States and the UK. There is also a factor of opacity called the Gulf situation. However, so far the international economic situation has generally continued a sustained growth. On the other hand, although advanced nations are making steady progress, imbalances with other countries still exist and protectionist feelings continue to be deep-rooted. The accumulated debts issue is showing progress but still calls for efforts for its solution.

In the Soviet Union and Eastern European countries, the switch-over to a market economy continues to be a heavy task under difficult economic conditions.

To ensure world economic stability in the international situation, which continues to convulse, I believe it is very important that all countries cooperate.

At the recent meeting of the finance ministers and central bank governors of the Group of Seven [G-7], views were exchanged on the Gulf situation and other international economic and monetary questions. The meeting reconfirmed the adherence to the framework of economic policy coordination and, at the same time, agreed to strengthen cooperation among the major powers and to continue monitoring foreign exchange market trends.

At the meeting, I stated my impressions, in concrete terms, about the present situation regarding Chinese reform and opening up policies, which I gained during my recent visit to China. These impressions drew strong interest from all the countries.

In conducting our financial and monetary policies in the days ahead, I will come to grips with the tasks, which I will discuss now, by taking the situation surrounding our country into consideration.

The foremost task is to ensure a sustained growth centering on domestic demand and free of inflation. As I just stated, our national economy is continuing a domestic demand-led independent growth. In managing the economy in the days ahead, however, it is important to sustain this stable situation as long as possible, while keeping a close watch on the Gulf situation and maintaining stability in commodity prices.

From this viewpoint, the government formulated the draft 1991 budget with the goal of striving for decreasing the dependence on public bonds and further promoting other financial reforms.

Where public work investments are concerned, we have made efforts to take firm and sound steps required for the first year of the public work investment basic plan. We will continue to make efforts to build up the social infrastructure, with particular emphasis on the sectors that can contribute to the improvement of the quality of people's lives.

In the financial area, we have taken appropriate actions to cope with changes in the domestic and foreign economy by raising official interest rates five times since May of last year, for example. We will continue to implement appropriate and flexible financial policies, taking into account domestic and foreign international economic situations as they occur.

There was a time last year when the foreign exchange market and financial capital market acted erratically. It is, undoubtedly, important that these markets be stabilized to ensure continued economic growth. We will seek to stabilize the exchange market by coordinating policies with the major nations concerned and by rendering necessary cooperation to the exchange market. We will also watch the moves of the financial capital market, and make efforts to ensure its stability.

The second task for us is to continue to push strongly for financial reform. The 1991 budget is the first budget formulated under the goals of a new mid-term financial operation plan. Under this budget, it is possible to take a new, first step toward making our national finances healthy. This was made possible by reducing the issuance of public bonds as much as possible and by lowering the dependence on public bonds from 8.4 percent, under the original budget of the previous year, to 7.6 percent, through a thorough review and as rationalization of expenditures.

But with so many public bonds having been issued in the past successive years, the balance of public funds has grown, and is expected to reach 168 trillion yen [Y] by the end of 1991. The cost for government bonds now exceeds 20 percent of expenditures, putting pressure on other policy-oriented expenditures. There is no change in the fact that our nation's finances remain in a very difficult position, much as it has been in the past.

The objective of financial reform is to restore the original capacity of finance at the earliest possible date, and thus help the economy to cope flexibly with future changes in the socioeconomic situation, such as the aging of the population, which is expected to progress, and with our nation's increased responsibilities in the international community; and to push ahead with the building of an affluent and vital economic society.

For this reason, in operating national finance in the future, the government intends to continue doing its best to build a financial structure so as not to let the balance of public bonds progressively increase. This will be done mainly by not leaving excessive burdens to future generations, by not issuing deficit-covering public bonds again, and also by lowering the dependence on public bonds.

The third task is to conduct an overall review of the land tax system and to address various land tax issues.

Since April of last year, the Taxation System Research Committee has undertaken a comprehensive review of how the land tax system should operate from the viewpoint of ensuring fairness in land taxes in accordance with the Basic Land Law concept and of contributing to the government's overall policies on land. This review covers each step pertaining to the holding, transfer, and acquisition of land. The committee subsequently has made a number of proposals, including one on the creation of a new land holding system.

For its part, the government has conducted an overall review of the land tax system based on the committee's recommendations in an effort to revise the taxation system in 1991. It has in fact decided on the details of a revision. We will undertake the maximum effort possible to present a bill to the Diet regarding this revision and to put it into force as soon as possible.

In revising the taxation system this time, we will create a new land price tax, move toward strengthening the tax on profits gained from land transfers by individuals as well as corporations, and revise existing government regulations on assets owned by enterprises. We will reduce tax burdens on the transfers of land, which will contribute to the expansion of land available for housing construction and to the efficient utilization of existing land lots. We will revise the existing system allowing a grace period in paying inheritance taxes on farm land. We will also take action to revise the current system of calculating profits and losses resulting from the acquisition of real estate.

Among these measures, the land price tax is aimed at reducing the advantageous value of land lots used for public purposes by imposing new tax shares in accordance with their value as assets. It is my belief that, in coordination with the review of both the fixed asset tax and special land holding tax systems, the creation of a land price tax system is of great significance to the enhancement of our people's consciousness about the cost of holding land and about the contributions to promote the effective utilization of land and the resolution of other problems connected to land.

Moreover, a settlement of the land issue is the most important task in promoting our domestic policies at the present moment. Thus, it goes without saying that in order to settle this issue, it will be necessary to take special measures in line with the principles of the tax system and the Basic Land Law.

With regard to loans for deals involving real estate issued by financial institutions, we have already given strict instructions to ensure that inappropriate loans provided for speculative land and other transactions will be abolished. It was last April that the system of the so-called total amount regulation was introduced. Moreover, we intend to continue issuing strict instructions to those financial institutions entrusted with a mission to serve the public interest so as to ensure their appropriate business operation and not impair public trust.

As for various problems pertaining to the tax system, including the consumption tax system, it is my understanding that further consultations will be held at sessions of the Consultative Committee of both the upper and lower houses, a committee set up as a result of the handling of pertinent bills at the 118th Diet session.

Based on the necessity of implementing the consumption tax system, the government expects that the committee will conduct further consultations—taking into account the people's overall and long-term interests—and that constructive accords will be reached at its sessions. If the committee should work out concrete accords, then we intend sincerely and speedily to take measures to deal with them.

The fourth task is to establish harmonic economic relations with foreign nations and to contribute to the development of the world economy. As far as the world economy is concerned, trade and direct investment have been expanded and a relationship of interdependence is being further intensified. As things stand today, no nation can maintain its economy without having smooth economic relations with other nations. Under such circumstances, I feel that it is necessary for Japan, which has come to play an important role in the international community, to make efforts to achieve harmonic economic relations with other nations, as well as contribute to the development of the world economy.

Economic relations between Japan and the United States can be taken as one of the factors having particular significance to the stability and development of the world economy. The final report on the Structural Impediment Initiative [SII] talks between Japan and the United States was worked out last June. The measures stated in this report will contribute to promoting the restructuring of our two nations' economic structures. For its part, Japan is engaged in steadily promoting these measures from the viewpoint that they will contribute to qualitatively upgrading our people's livelihood.

The basis for developing the economies of various nations and improving people's livelihoods lies in avoiding protectionist moves and maintaining a free trade system. From this standpoint, I feel it is imperative for us to continue to further efforts to make the Uruguay Round successful while promoting coordination with other nations.

Regarding the tariff system, we intend to take various measures. For example, it has been decided that the term for the preferential tariff system, which is due to expire at the end of this fiscal year, will be extended for another 10 years.

As far as economic cooperation is concerned, we are engaged in efforts to steadily expand Official Development Assistance [ODA] and to carry out a program for the recirculation of funds [shikin kanryu] for the purpose of supporting developing nations in their efforts to achieve self-reliance.

Concerning accumulated debts, we intend to positively support the strategy on new debts and to provide necessary cooperation regarding this. As for the various nations of Eastern Europe, Japan—as a member of the West—has cooperated appropriately in the process of their democratization and liberalization since the year before last. Furthermore, our nation intends to provide positive cooperation to the Bank of European Reconstruction and Development when it is established some time this year.

The fifth task is to promote the liberalization and internationalization of both financial and capital markets in a steady manner. Through further practical application of the principle of competition, the liberalization and internationalization of financial and capital markets will enable financial circles to meet the people's more diversified and sophisticated financial needs, contribute to improving quality service to customers, and increase the efficiency and development of our economy. Such efforts are very important to ensure that our market fulfills its obligations as one of the world's major financial centers and that it contributes to the development of the global economy.

To achieve this, various measures will be taken, one after the other, including the further liberalization of savings account deposit rates and expanding the access for foreign financial institutions. Efforts will be made to improve and expand the short-term financial market, the market for the issuance and circulation of government bonds, and the futures market.

Steady progress has been made in liberalizing small-time deposit rates. In addition, a study is also being undertaken on relaxing the control over liquid deposit rates, including ordinary deposit rates.

As far as stock trading is concerned, some important measures have been taken to further deepen trust both at home and abroad and to increase fairness in trading and transparency in the market. For example, measures have been taken to improve the regulations to prevent insider trading and to introduce a new system of publicly disclosing the ownership of large amounts of stocks. Furthermore, we plan to steadily promote the liberalization and internationalization of our financial and capital markets while maintaining credit and order and ensuring sound management of financial institutions.

Various concerned advisory councils will continue to carry on energetic deliberations about how our financial system, capital market, and insurance management should operate in the future.

Next, I would like to explain the general idea about the budget program for fiscal year 1991. In working out this budget program, we have reduced our dependence on public loans and cut the issuance of public bonds as much as possible while still trying to adequately meet true financial needs. We have done this by revising plans for both revenues and expenditures and by rationally reducing expenditures while ensuring nontax revenue sources.

As for annual expenditures, general expenditures are set at Y37 trillion and Y238.2 billion in total. When the distribution of the local allocation tax and funds for government bonds are added to this, the general account expenditures will amount to Y70 trillion and Y347.4 billion in total.

With regard to the full number of national service personnel, we will implement the seventh plan for reducing the fixed number in a steady way. At the same time, we will refrain from employing new and additional personnel and carry out the plan for reducing the fixed number of personnel at administrative organizations by 2,499.

In accordance with the laws on control and rational utilization of government subsidies and on provisional measures for special cases, steps will be taken to deal with those provisional subsidies issued in the budgets prior to fiscal 1990 by conducting a general and comprehensive study of these cases while reviewing financial conditions of both central and local governments and also the flexibility of sharing expenditures between central and local governments. In this concern, we intend to work out a separate bill on issues such as government subsidies and also on special cases for appropriating extraordinary expenditures and submit it to the Diet session for deliberations.

Next, I would like to explain annual revenues. Regarding the taxation system, the reform of the system is set to start in fiscal 1991. Along with the overall reform of the land tax system, measures will be taken to expand the tax system aimed at promoting our people's housing acquisition and to meet with demands based on current policies. Meanwhile, the taxation system will be reformed through such measures as improvement and rationalization of various special regulations on taxation.

As for tax collection, efforts will be made to carry it out in a more fair and appropriate way through obtaining our people's trust and cooperation. The amount of government bonds to be issued is estimated at Y5 trillion 343 billion, with a reduction of Y250.2 billion compared with the amount estimated at the beginning of the previous fiscal year. Furthermore, the total amount of government bonds, including renewed bonds, is estimated to reach Y23 trillion 671.6 billion.

Regarding the fiscal investment and loan program, we intend to work out an efficient distribution of funds on a priority basis to comply with demands based on policies such as projects for improving the infrastructure, measures dealing with the housing problem, and contributions to the international community. The total amount is estimated to reach Y36 trillion 805.6 billion. Excluding expenditures for fund management, funds to be used for general purposes are estimated to reach Y29 trillion 105.6 billion.

Next, I would like to explain major categories for expenditures. Regarding expenditures for public works—while maintaining continued expansion of the economy oriented to domestic demands and based on price stability, and also in view of the importance of improving social infrastructure—measures will be taken to promote its steady expansion and to maintain the noninterest financing system by making effective use of funds gained through sales of NTT [Nippon Telegraph and Telephone Corporation] stocks.

Concerning distributions of these expenditures, a framework of projects connected with the people's livelihood will be mapped out, and priority will be given to those projects closely connected with improving the quality of our people's livelihoods, including projects for sewage works, environmental sanitation, and parks. Moreover, further measures will also be taken to solve the housing problem. For example, the maximum amount of loans that can be issued by the Housing Loan Corporation has been increased, and the supply of public housing has been promoted.

Furthermore, concerning the five-year programs related to eight fields, which will expire at the end of fiscal 1990, we plan to work out new and appropriate programs for each individual field.

As for the expenditures for social security, I feel that it is an important task for us to create a welfare-oriented society filled with vitality in preparations for greeting the 21st century. In this connection, it will be necessary to establish a system that can function both steadily and efficiently in the future by taking those measures that can ensure rational and fair distribution of both payments and benefits.

From this viewpoint, we intend to improve the medical care system for the aged. Furthermore, for all our people to spend their old age without anxiety, I intend to implement the decade-long strategy for improving health and welfare care for the aged. At the same time, in order to create a comprehensive environment in which our children can grow up healthy, we plan to take measures such as improving the child welfare system. Thus, careful attention is being attached to implementing those policies that are closely connected with our people. We also plan to implement policies such as measures for providing the elderly with employment opportunities.

Regarding expenditures for promoting education, culture, and science, while efforts will be made to implement various policies for improving the educational environment and promoting lifelong education, arts, and sports, we will also implement various policies for promoting science and technology, including basic and comprehensive research.

Concerning expenditures for measures to deal with problems concerning small and medium businesses, we intend to improve measures for relaxing regulations of the Large-Scale Retail Store Law. This will help deal with changes in the small and medium business environment and promote their modernization and structural changes.

Likewise, in connection with agricultural, forestry, and fisheries budgets, we intend to implement liberalized beef import policies, enhance agricultural self-reliance as an industry, and create agricultural villages filled with vitality, while taking into account various domestic and foreign situations in connection with agriculture.

As far as funds for economic cooperation are concerned, we have given comprehensive consideration to such factors as the severe financial situation, the fourth midterm objectives, and the balance with other expenditures, and have decided to increase the amount of the ODA budget by 8.0 percent. From the standpoint of improving the ODA budget program, we have taken into consideration the increase of the amount of gratuitous funds and the improvement in the execution of these programs.

As for defense expenditures, while taking the recent international situation and our own financial situation into account and trying to attain a balance with expenditures for implementing other policies, we intend to a promote moderate and effective defense buildup based on the midterm defense buildup program that has recently been worked out.

Regarding funds for the energy policy, we intend to promote steady implementation of a comprehensive energy policy based on mid- and long-term viewpoints to ensure stable energy supplies, while paying attention to global environmental protection.

As for local finance, measures will be taken to ensure sound local finacial management in various regions. To promote smooth local financial management, measures will be taken to first secure the amount of tax needed for distribution among local governments, and then to enforce reduction of allocated tax as a special measure in readjusting the tax allocated in different fiscal years. Furthermore, we would like to request that local organizations will further promote rational reduction of expenditures and also implement more efficient distribution of their financial sources.

I have just explained to you the general outlines for the budget programs for the fiscal 1991. I would like to request that following deliberations, you will approve of the budget program soon.

We have just entered the third year following the shift from the Era of Showa to the Era of Heisei. It is just 10 years now before the beginning of the 21st century. During the 1980's, our nation took a leap forward into the international community after overcoming two oil crises in the 1970's.

While setting our sights on the 21st century during the next decade, we must consolidate the foundation—which will be strong enough to deal with the graying society, which will be rather exceptional, even in the future world—and at the same time take up various global tasks, conscious that Japan is now one of the major members of the international community.

The international situation, including that in the Gulf, is fluid. Under such circumstances, however, we have maintained a relatively favorable and continuous economic situation. In my opinion, it is essential for us to continue maintaining this situation, and at the same time, steadily carry out the various tasks I just mentioned, step by step.

I would like, in earnest, to ask our people for their understanding and cooperation. [applause]

Ochi Gives Economic Policy Address

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[Economic policy speech by Michio Ochi, director general of the Economic Planning Agency, in the main chamber of the House of Representatives upon the resumption of the Diet's 120th ordinary session—live]

[Text] At the beginning of this turbulent year of 1991, I would like to present to you a portion of my belief concerning the tasks which confront our national economy and my basic ideas about economic management.

On 17 January, UN member nations, including the United States, the UK, and various Arab countries, exercised armed force against Iraq. Japan intends to provide as much assistance as possible to the action taken by the nations concerned to restore international peace and security. As a new measure in this regard, it has decided to extend $9 billion. I hope that Iraq will accept the UN Security Council [UNSC] resolutions, thus restoring peace and stability in the Gulf region at the earliest possible date.

The government intends to play a sure card in order to minimize the influence that the latest development will have on our economy and to insure a stable national life. Fortunately, compared with the two oil shocks in the past, our national economy's dependence on oil has been decreased and our oil stockpile has been increased by a large margin. Thanks to the proper steps taken by the government and people, I think that we can overcome this situation without experiencing any significant effects in terms of our national life. In this regard, I urge each and every member of the nation to act calmly.

This is the first year in the last decade of the 20th century. Since the war, Japan has surmounted a number of difficulties and emerged as one of the world's leading economic powers. As far as an economic scale is concerned, Japan occupies the world's No. 2 position—next only to the United States—with its nominal gross national product exceeding 400 trillion yen. Japan also occupies the top spot in the world in terms of per capita national income.

As a result, our country's responsibility within the international community has grown increasingly greater. Japan is being called upon to deal seriously with both the domestic and external problems it faces.

As for the international economic sector, a strong current heading toward a market economy under freedom and democracy has been engendered. In the course of this development, the interdependent quality of the world economy has been strengthened through the expansion of trade and direct investments. Under these conditions, Japan finds it necessary to make active use of its potential in the interest of the world in terms of the technological, cultural, and a whole range of other spheres, to say nothing of the economic area.

Taking a look at the domestic economic situation, it can be seen that business expansion is now entering its fifth straight year. It is necessary to link the fruits of this expansion to affluence in our national life by sustaining this expansion as much as possible and, at the same time, taking the proper steps to deal with an aging society.

It is also necessary to make active efforts to adjust the economic structure under a long-range outlook for our society in the new century, regarding the 10 years left in this century as a valuable period. On this occasion, we must resolve various problems which have been pointed out for many years. These problems include the regional gap hidden behind the shadow of nationwide economic growth, the presence of a price gap between Japan and other countries which tends to be overlooked under the basic condition of price stability, and a lag in the improvement of a balance between Japan and the United States in the midst of steady reductions in the surplus within the balance of international payments.

In other words, our national economy today is called on to deal simultaneously with dual tasks—sustaining business expansion and readjusting the economic structure. I think now is the time to open up our economic community in line with its position in the international community, while at the same time building our society into one in which the richness of life can be appreciated wholeheartedly, on the basis of the government's policies and the nation's capacity to deal with problems flexibly.

Next, I would like to explain the current state of the domestic and international economy and basic government policy on economic operations. Trends in the world economy reflect efforts by nations to coordinate policies among themselves; the global economy has been expanding for over eight years. It is unusual that economic expansion has continued for so long and with the involvement of so many nations, given the history of the world economy since the end of the war.

Among industrialized nations, trends toward economic stagnation are apparent in the United States and the United Kingdom, but in general the economies of other West European nations have been growing. Meanwhile, the Soviet Union and East European nations are trying to overcome difficult economic conditions that have arisen during their transition to market-oriented economies. In the Asia- Pacific region, we see signs of a slowing economy, but economic expansion continues.

On the other hand, the problem of international balance of payments exists among major nations, as do resulting protectionist actions. Many developing nations face the problem of large accumulated debts. As such, many problems await solution.

In our country, economic expansion is continuing, supported by domestic demand centered around increased personal consumption and corporate investment in factories and equipment. The economic expansion that began in December 1961 has entered its 50th month. Enterprise earnings are growing, and, as employment increases, labor supplies will continue to tighten.

Since imports are increasing, especially in manufactured goods, the surplus in the current balance of payments is shrinking.

When all these elements in the domestic and international economic situations are taken into account, real economic growth for 1990 is expected to exceed the original forecast and reach 5.2 percent.

In view of these circumstances, the following will be the pillars of our economic policies in 1991.

The first pillar is to seek continued growth of the economy, led by domestic demand. To do this, we will make efforts to take appropriate and flexible economic measures, coordinating our economic policies with other major nations and emphasizing the stability of the exchange market and commodity prices.

For the harmonious growth of our country's economy, we will push for promotion of local economies, putting to best use the uniqueness of individual areas and bringing out the people's creativity.

In pushing public works projects, emphasis will be on balanced development of national land and on those projects closely linked with the people's lives. As for policies dealing with medium and small businesses, we will emphasize enabling medium and small retail business service to customers in an improved and timely manner, thus helping medium and small enterprises become creative and vital.

Through employment policies, we will actively seek to secure labor required by medium and small businesses, especially locally, and will improve working conditions for women.

In finance, we think we should watch the overall domestic and international economy, as well as the international money market and take appropriate and flexible financial measures.

We think that the 1991 economy—with the above-stated government policies combined with the vitality of private enterprises—will continue to expand steadily, led by domestic demand, while improving on the international balance of payments. As a result, the 1991 economy is expected to achieve a real-term growth of about 3.8 percent.

The second pillar is to take the lead in and contribute to efforts to contain trade protectionism and to maintain and strengthen free trade structures. We also aim to make active contributions to the formation of harmonious international economic relations and to the invigoration of the world economy.

To do this, we will seek to gradually remedy the international payment imbalance resulting from trade imbalances and to improve market accessibility and will make further efforts so that imported products can establish a foothold in our country's market.

In addition, we will seek to expand direct investments overseas, while tending already harmonious relationships with nations currently receiving our investments. We will also seek to promote foreign investments in Japan, from the viewpoint that mutual dependence can be furthered through investment exchange.

We will increase efforts toward the success of the Uruguay Round. Once the talks end in success, we will ensure that agreements will be faithfully observed and implemented.

As for measures adopted in the final report on the Japan-United States Structural Impediment Initiatives [SII] talks, they are key points of the SII talks and will contribute to improving the quality of the people's lives. From this perspective, we will continue our earnest efforts for implementation of the measures.

Economic cooperation with developing nations is very important for our nation, which is eager to contribute to the steady development of the global economy. While expanding the scale and improving the efficiency of cooperation, we will try to accomplish the fourth mid-term goals of the government official development aid plan. At the same time, we will ensure the recirculation of capital into countries with accumulated debts.

We will also make efforts to provide appropriate economic cooperation to countries on the front lines in the Gulf which now face economic difficulties caused by the war.

It is necessary for us to strengthen cooperation with Asia-Pacific nations. Mutual dependence between our country and these nations is deepening. In order to advance economic cooperation with Asia-Pacific nations, we will hold talks with these nations regarding the region's economy and policies for dealing with it.

As far as East European countries are concerned, we will watch reforms in these countries and will support their smooth transition to market economies.

With regard to global environmental issues, it is necessary to recognize that maintenance and improvement of environmental conditions are essential to continued and stable growth of the international economy. Our country will try to contribute to identifying and solving global problems. We will cooperate with developing nations in this regard by making the best use of knowledge and experiences with environmental issues. We will continue to make efforts for technical improvements in this regard based on overall and long-term needs.

The third pillar is maintaining the stability of commodity prices. The stability of commodity prices provides the basis for the stability of the people's lives and is a basic condition for balanced economic growth.

If we look at recent trends in commodity prices, even though the rise in oil prices since last September has had certain effects, commodity prices in general have followed basically stable trends. Wholesale commodity prices and consumer goods prices are estimated to have risen about 2.0 percent and 3.1 percent respectively in 1990. This stable trend is forecast to continue through 1991, with wholesale prices remaining about the same and consumer goods prices rising about 2.5 percent. We will make every effort to ensure the stability of commodity prices. We will do so by carefully watching price trends for commodities such as oil and by noting exchange rates and labor supply problems.

Regarding the disparity of prices between Japan and foreign countries, we will be taking step-by-step action in accordance with the decisions of the headquarters for addressing the problem of internal and foreign price disparity set up by the government and the ruling party. The action will include the determination of the status of disparity in domestic and foreign prices, strengthening rules governing distribution, strict operation of the Anti-Monopoly Law, and [words indistinct].

As a result of these actions, telephone charges have been reduced, and we have actively begun providing information desired by consumers, for instance. We plan to continue to push various policies to reduce price differences between Japanese products and those of foreign countries.

The fourth pillar is to further promote the enrichment of national life by attaching importance to the reduction of land prices to an appropriate level, to the shortening of work hours and to other sectors associated with the national life, and by actively carrying out economic structural readjustments, while giving adequate consideration to consumers' views.

As a result of recent land price increases, it has become very difficult for the general working public in metropolitan areas to buy houses. It has become an urgent task for this society to solve urban land problems. In order to help reduce land prices to appropriate levels under the concept of the Basic Land Law, the government will promote the supply of land for housing in metropolitan areas and conduct an overall review of the land tax system without delay.

As far as the matter of improving the social capital is concerned, improvements have been made in some areas, but there remain areas that lag behind. To realize an economic community in which the affluence of the national life can actually be felt, it is important that we continue actively and systematically tackling the task of improving social capital. To this end, we will take appropriate actions, based on the Public Investment Basic Plan adopted last year, so that social capital can be enriched as we move toward the 21st century.

Regarding the issue of reducing work hours, we will strive to propagate a complete five-day work week system and spread out and expand consecutive holidays based on a 44-hour work week system through formation of a national consensus, as well as through guidance and assistance for independent endeavors by labor and management.

Regarding consumer administration, the government will continue to address it actively, while properly coping with such changes in the environment surrounding consumers, for example in internationalization, the introduction of information and services, and progress in aging.

The government will strive for the prevention of damage from vicious ways of conducting business and thoroughly ensure the safety of commodity services. At the same time, the government will provide information actively through the National Livelihood Center and other organizations from the viewpoint of supporting the independent role of consumers so as to help expand the range of options for consumers and thus enable them to live a more affluent life. At the same time, it will strive to substantiate consumer education beginning with the juvenile years.

Concerning the product responsibility system, I think that an overall examination is necessary from the viewpoint of harmonizing the system to help cope with progress in internationalization. I plan to proceed with concrete examinations immediately after creating a venue for professional deliberations under the National Livelihood Council.

The government will cope with trends in the current oil situation and the medium and long-range supply and demand for energy, the global environmental issue, the waste disposal question, and other tasks. At the same time, it will actively carry out resource-saving and energy-saving measures in order to help promote a high-quality life by effectively utilizing limited resources and energy.

In the foregoing I have stated my views with regard to major tasks facing our national economy and the basic direction of economic management. Needless to say, medium and long-range outlooks are necessary for implementing these policies.

At present, the government is carrying out policies and measures aimed at helping an economic structure led by domestic demand take root in line with the economic plan adopted in 1988, Japan Coexisting With The World. However, it is necessary to conduct economic management, keeping in our sights the course which the economic community of our country should follow over the long haul.

From this viewpoint, the 2010 Committee under the Economic Council is now working out a long-range outlook on our national economy and the surrounding international environment.

Our national economy has continued vigorous growth, overcoming the recession from the appreciation of the yen. I think its prime motivating factor lies in the fact that businesses and people have been actively dealing with changes. But the fruit of these efforts should not end merely in quantitative expansion of the economy. We must link the fruits of the people's efforts with the affluence of livelihood and the expansion of latitude of each member of the nation.

I will aim at forming an affluent and prosperous economic community, in which the capabilities of individuals are fully developed, the individuality of each member of the nation is freely demonstrated, and, at the same time, those who are to contribute to the development of our country are prepared for the future.

The structure of the postwar international economic community, in which the two superpowers, the United States and the Soviet Union, have played their respective leading roles, has undergone drastic changes today; all countries are continuing serious efforts to grope for the new order and solidarity of the international community. In this course, Japan, which holds an important economic position, is strongly called on to make active contributions toward building a new framework. In the formation of this framework, I think it is particularly important to respect the principle of a free market economy, reject protectionism, and hold fast to the free economic system.

In today's convulsive world situation, let us make valuable contributions to the sustained development of the international community and exert efforts to make Japan a country beloved and respected by the world.

In this regard, I earnestly request your support and cooperation. [applause]

No Change Seen in 'Cooperative' U.S.-Soviet Ties

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[Text] Tokyo, Jan. 29 KYODO—The Japanese Government said on Tuesday it sees no change in the cooperative ties between the United States and the Soviet Union, despite the postponement of the superpower summit in February.

Foreign Minister Taro Nakayama told reporters he believes "the biggest reason" for the postponement is that President George Bush is unable to leave the U.S. while war continues in the Persian Gulf. Privately, however, Foreign Ministry officials voiced worries about potential irritants in relations between Washington and Moscow.

Ministry sources pointed out that the Soviets have expressed concern about expansion of the Persian Gulf war, while the Americans have been increasingly critical of Moscow's handling of secessionist moves in the Baltic republics.

With the U.S.-Soviet summit now on hold, the Foreign Ministry appears uncertain whether Bush will visit Japan in March, as tentatively scheduled. "We have to wait for a while to see what will happen," Nakayama told reporters Tuesday morning.

Hokkaido-Russia Economic Meeting Opens 28 Jan

OW2801051491 Tokyo KYODO in English 0409 GMT 28 Jan 91

[Text] Sapporo, Jan. 28 KYODO—A meeting aimed at promoting economic cooperation between the Hokkaido prefectural government and business circles and the Russian Federation opened here Monday.

The prefectural government and local economic organizations agreed with the Soviet republic in June last year to establish an effective economic partnership. The two sides then agreed on holding preparatory, working-level meetings, of which this is the first, to set up programs in five principal cooperation areas by November. The areas are infrastructure improvement, trade, industry and transportation, tourism, and agriculture, forestry and fisheries.

The meeting brought together delegations from Russia led by E.B. Shukerenkov, who is in charge of the republic's external economic relations, and the Japanese representatives, headed by Hiroshi Yamanaka, vice governor of Hokkaido.

After the three-day meeting, the two sides are expected to discuss each other's proposals and exchange notes of agreements Thursday.

KYODO Previews Agenda of Coming DPRK Talks

OW2801140491 Tokyo KYODO in English 1315 GMT 28 Jan 91

[Text] Tokyo, Jan. 28 KYODO—Government representatives from Japan and North Korea, meeting in the North Korean capital of Pyongyang, begin two days of talks aimed at normalizing relations between the two countries Wednesday.

The historic talks are aimed at easing off about 80 years of abnormal relations, including Japan's 1910-1945 colonial rule of the Korean peninsula and 45 years of postwar hostility.

The Japanese delegation to the talks is led by Noboru Nakahira, a former ambassador to Malaysia, while the North Korean side is led by Chon In-chol, vice minister of foreign affairs. Nakahira, who arrived in Beijing on Monday, will travel on to Pyongyang on Tuesday.

Chon previously visited Japan when he served in 1960 as a representative on a delegation to Japan during Red Cross-sponsored talks on the repatriation of Koreans living in Japan to North Korea. Chon, reportedly a fluent speaker of Japanese, was born in South Korea but fled to the North after taking part in an anti-U.S. campaign while at Seoul National University.

The Japanese side at the talks will emphasize the notion that North Korea should become a full member of the international community, along with a solution to the question of "compensation" for its past colonization.

The Japanese will therefore seek the understanding of the North Koreans over allowing inspections of their nuclear facilities by the International Atomic Energy Agency and cooperation over calls by the international community for Iraq to respond to U.N. resolutions calling for its withdrawal from Kuwait.

At the same time, the Japanese side will be sounding out the North Koreans over possible simultaneous membership of the United Nations with South Korea.

References to international issues such as these are designed to inspire a change in North Korea's fundamental policy of "one Korea," but even without opposition from the North Koreans. Most Japanese Foreign Ministry sources say it will take two years before any such agreement is reached.

North Korea continues to criticize Iraq for its invasion of Kuwait, but at the same time blames the United States for provoking the war with Iraq.

The North Korean side has indicated it will push the economic aspects to its relationship with Japan rather than emphasizing any international problems and is more interested at the present stage of negotiations in determining how much it can get from Japan in compensation for the period of its colonization.

The Japanese side is treating the compensation issue as a question of "right of claim" and is considering two alternative proposals for economic cooperation, with and without compensation. The calculations are based on the government's desire to balance any payment to North Korea against the 500 million dollars given to South Korea in 1965. But the North Koreans claim theirs is a special case which should not be compared with any precedent accorded the South. The North Korean side has responded to Japanese insistence on sticking to the "right of claim" interpretation by claiming that abundant underground resources which existed in the northern part of the peninsula before the war were plundered by Japan.

Nakahira is expected to make a formal apology at the talks for Japan's colonial rule of the peninsula by quoting Prime Minister Toshiki Kaifu's remarks to North Korean President Kim Il-song in a letter conveyed last year during a visit to Pyongyang by former Deputy Prime Minister Shin Kanemaru. The talks this week follow three rounds of preliminary bilateral talks in Beijing from November.

The North Korean side bases its case for compensation on a joint declaration signed by representatives of Japan's ruling Liberal Democratic Party, the Japanese Socialist Party, and (North) Korean Workers' Parties in September. The statement said the three parties considered that "full compensation" should be made by the Japanese Government for Japan's past colonial rule and "the losses inflicted upon the North Korean people in the ensuing 45 years."

Tokyo Opposes Cease-Fire Without Iraqi Pullout

OW2901083091 Tokyo KYODO in English 0814 GMT 29 Jan 91

[Text] Tokyo, Jan. 29 KYODO—Japan is opposed to any plan for a cease-fire in the Persian Gulf war that does not provide for an unconditional withdrawal of Iraqi forces from Kuwait, a Foreign Ministry spokesman said Tuesday.

"Without any guarantee about the unconditional withdrawal of Iraqi forces from Kuwait, it is rather difficult for us to agree with any appeal for a cease-fire," spokesman Taizo Watanabe told a meeting of foreign correspondents.

Watanabe was responding to a reporter's question about Japan's view of cease-fire appeals by some countries, including Algeria, Jordan, Libya, and Yemen. "We are against war, but when an illegal violation of international law is committed, that should be rectified," he said. "Then we can talk about peace."

A Foreign Ministry source clarified Watanabe's remarks, saying they "were not meant to restrict our position only to the withdrawal from Kuwait." But the source said withdrawal is the most immediate issue. The source explained that there must be guarantees in any cease-fire that all elements of the 12 United Nations Security Council resolutions passed since Iraq's August 2 invasion of Kuwait will be fulfilled.

"Along with the withdrawal from Kuwait, there are other important issues such as the restoration of the legitimate Government of Kuwait and restoration of peace and stability in the region," the source said. He said Japan has not devised its own peace proposal because it is opposed to backtracking on the U.N. resolutions.

The source also said Japan does not consider the activities of the U.S. forces in the Gulf to have exceeded the limits of the U.N. resolutions. He noted that the U.S. has explicitly stated that its intention is not the destruction of Iraq.

The Soviet Union, Iran, and Pakistan are among countries which have been expressing their concern over the intense bombing campaign against Iraq by allied aircraft.

Government Divided Over Disbursement of Gulf Aid

OW2801131291 Tokyo KYODO in English 1139 GMT 28 Jan 91

[Text] Tokyo, Jan. 28 KYODO—Government officials are at odds over the disbursement of 9 billion dollars in additional aid to the multinational forces attempting to expel Iraq from Kuwait.

Chief Cabinet Secretary Misoji Sakamoto told reporters Monday that he expected the bulk of the funds to be funneled to the United States, which dominates the 28-nation coalition.

Sources close to Prime Minister Toshiki Kaifu, however, were perplexed by a statement Sunday by U.S. Secretary of State James Baker, implying that all of the 9 billion dollar package would go toward defraying U.S. costs in the war.

Saying that Baker's statement was "too straight," the source within the ruling Liberal Democratic Party (LDP) added that the government wanted to avoid "irritating the opposition parties and public opinion more than is necessary."

Sakamoto said a majority of the 9 billion dollars should go to the U.S. as its forces make up the bulk of the coalition. "I presume that the United States will receive the largest part (of the money)," he said at a news conference Monday morning.

In a related debate, the government remained undecided about opening the use of the funds to purchases of weapons and ammunition or restricting them for noncombat purposes like an earlier 2 billion dollar contribution, Sakamoto told reporters. Sakamoto said its allocation would be decided in consultation with the Gulf Cooperation Council (GCC), which groups six Persian Gulf nations, to which the funds will be funneled. The Japanese ambassador to Saudi Arabia and the Saudi-based GCC panel will oversee the distribution of the money.

U.S. forces received some 70-80 percent of the 2 billion dollar contribution Japan made last fall, a Foreign Ministry source said Monday.

Kaifu told a House of Representatives session Monday, "I have heard different reports about the figures on the money the U.S. is requesting, but I have not been briefed (by the U.S. side)." He emphasized that the matter of contributions to the coalition forces, for the most part, remains Japan's decision.

Sakamoto declined to comment on speculation that Japan may abandon restrictions applied to its earlier 2 billion dollar contribution. Japan designated the use of the money only for nonlethal purposes.

"Since the war has started, restrictions (on the funds) would be difficult," an LDP source said Monday, while another added that it would also be "difficult" to make a statement about restricting the uses of the money during the current Diet debate.

Japan's postwar Constitution bans the country from using force in order to resolve international conflict, and there is wide popular sentiment in the nation that the government should avoid directly funding combat. An LDP source indicated, however, that forces for freeing the aid from strings will have to combat a swell of opinion not to allow the money to be used for military purposes and further restrict the money only for transport expenses of the multinational forces.

Kaifu Says No Further Gulf Aid Being Considered

OW2901054791 Tokyo KYODO in English 0510 GMT 29 Jan 91

[Text] Tokyo, Jan. 29 KYODO—Prime Minister Toshiki Kaifu told Parliament Tuesday that the Government is not "currently considering" extending additional financial support to the U.S.-led multinational forces above its already pledged aid totaling 11 billion U.S. dollars.

Kaifu was replying in the ordinary Diet session to questions from House of Councilors Member Misao Akagiri of the Japan Socialist Party (JSP).

The prime minister said Japan has no plans to extend additional financial assistance to the multinational forces because it hopes the Persian Gulf war will end "as soon as possible."

Kaifu said that there is no change in the government plan to send military transport planes to the Middle East to evacuate refugees fleeing Gulf war. The evacuation project is entirely based on "humanitarian grounds," he said.

The Geneva-based International Organization for Migration has asked Japan to dispatch "civilian and military" planes to the Middle East to help evacuate refugees from the Gulf region, Kaifu said. He said Japan's war-renouncing Constitution enables the government to extend financial and personnel support to the U.S.-led multinational forces fighting Iraq, which he termed an "aggressor nation." The Constitution calls for "justice and fair order in international relations," he said.

Kaifu said Japan has no plan to take an initiative in ending the Gulf war, which has raged since January 17, noting that it is more important for Iraq to withdraw from Kuwait.

Japan cannot condone Iraq's invasion and occupation of Kuwait from the standpoint of law and order in international relations, he said.

People Facing 'Dilemma' Over Gulf Assistance

OW2901104391 Tokyo KYODO in English 1023 GMT 29 Jan 91

[Text] Tokyo, Jan. 29 KYODO—The Japanese people face a "dilemma" in wanting to assist international efforts underway in the Persian Gulf, but having to reconcile that desire with pacifist sentiment rooted in memories of past Japanese militarism, a Foreign Ministry spokesman said Tuesday.

"I think many people are suffering from a kind of dilemma," spokesman Taizo Watanabe told foreign correspondents in a press conference.

"On the one hand, they cannot forget the memory of the Imperial days," Watanabe said, referring to the era which ended in Japan's defeat in World War II. He added that some Japanese feel that if they are not alert enough, "then we might go back to (those) days."

"But at the same time they feel strongly that Japan should be doing what is expected of it in line with its growing influence as a result of increased economic power," Watanabe said.

The spokesman was speaking amid the national debate over whether it would be in line with the spirit of Japan's pacifist Constitution for the government to implement its plan to send Air Self-Defense Force (ASDF) personnel and transport planes to the Middle East for refugee evacuation operations.

Commenting on recent opinion polls that show a majority of Japanese as not explicitly supporting the government plan, Watanabe argued that a majority is actually supportive if those who answered "shikata-ga-nai" (it can't be helped) in the questionnaires are included. He translated the common Japanese expression of resignation as meaning "there is no other way" or "we have to follow."

Watanabe said many people feel "shikata-ga-nai" about the overseas dispatch of ASDF planes not because the government is imposing the scheme upon them, but because despite concern over resurgent militarism "they feel the world as a whole expects Japan to do something of that nature."

"They feel this dilemma very strongly," Watanabe said. "Unless such an economically influential country as Japan does what she is expected to do, Japan's interests and also the order of international society itself could be in danger."

Kuwaiti Envoy Blames Saddam Husayn for Oil Spill

OW2801140391 Tokyo KYODO in English 1109 GMT 28 Jan 91

[Text] Tokyo, Jan. 28 KYODO—The vast oil slick off the coast of Kuwait allegedly caused on orders of Iraqi President Saddam Husayn represents a "desperate" act of a man aware his international image is already tarnished beyond repair, the Kuwaiti ambassador to Japan said Monday.

"This is an act of someone who has nothing to lose," Ambassador 'Abd al-'Aziz al-Sharikh told KYODO NEWS SERVICE when interviewed on the telephone. "It shows how desperate he is."

Al-Sharikh said it is "very much saddening" that Husayn decided to lash out at the environment after having caused suffering to the people of the Gulf area. He expressed concern that the large variety of fish and fowl that inhabit the seas and coasts of the Gulf will be severely affected.

Al-Sharikh noted that the massive oil slick—about 49 kilometers long and 14 kilometers wide—has already blackened Kuwait's sandy southern beaches, but said it is unlikely to hit the northern part of the coast where there are two large desalinization plants.

The United States has accused Iraq of dumping the crude from an oil terminal in Kuwait to deter the allied war effort, but Baghdad said the spill was caused by allied bombing.

The Kuwaiti envoy said he visited the Foreign Ministry earlier in the day to express appreciation for Japan's latest pledge of 9 billion dollars in support for the multinational forces fighting to drive Iraq from Kuwait. "This generous contribution shows clearly that Japan not only realizes her international role, but that she is capable and willing to act accordingly," he said.

Al-Sharikh said the Kuwaiti people are resigned to the destruction now going on in their country. "They know that whatever is happening is on the way to their liberation," he said. "This is a small price to pay for the liberation of Kuwait."

Ministries Discuss Ways To Help Contain Spill

OW2801125091 Tokyo KYODO in English 1155 GMT 28 Jan 91

[Text] Tokyo, Jan. 28 KYODO—The government Monday discussed ways that Japan could help contain a massive oil slick in the Persian Gulf, government officials said. The meeting was organized by the Foreign Ministry.

Experts from the International Trade and Industry Ministry (MITI), the Transport Ministry, the Agriculture, Forestry, and Fisheries Ministry, and the Environment Agency took part.

MITI officials said the ministry is studying the problem but as yet has no plan to send experts to Saudi Arabia. The Foreign Ministry said it is prepared to send technicians if asked, officials said.

Meanwhile, Chief Cabinet Secretary Misoji Sakamoto told reporters that the government is still collecting information on the oil spill in the Gulf.

The U.S. has accused Iraq of deliberately pumping oil into the Gulf in an attempt to interfere with military operations. Iraq, however, says the spill was caused by allied bombings.

Talks on Gulf Oil Spill Continue

OW2901085891 Tokyo KYODO in English 0831 GMT 29 Jan 91

[Text] Tokyo, Jan. 29 KYODO—Japanese Government officials struggled again Tuesday to find an appropriate response to the environmental damage posed by a war-spawned oil slick creeping along the shoreline of the Persian Gulf.

Kazuo Aichi, director general of the Environment Agency, was added to the prime minister's Persian Gulf Crisis Council Tuesday and said that it was most important to dispatch a team of specialists to the region to assess the situation. "We want to dispatch a team if conditions allow us to go, but because of the war, it would be very difficult now," Aichi told reporters.

The agency created an interagency project team Monday to consider countermeasures.

Aichi said, "Given the opportunity, Japan would like to assume leadership in dealing with environmental problems."

The environmental chief, however, indicated that Japan does not intend to act apart from the United States and other nations struggling with the slick. "We will be in close contact with the U.S. and other nations and endeavor to collect information," he said.

A group of Liberal Democratic Party (LDP) politicians concerned with environmental policy heard Tuesday morning an Environment Agency report stressing the likelihood of environmental havoc being unleashed by the 8-10 million barrels of crude oil skimming the Gulf's waters, but no firm decisions came out of the meeting, party sources said.

LDP officials at the meeting exchanged opinions on asking Japanese technicians evacuated from the Middle East before the war to return to Saudi Arabia to care for that nation's desalination plants and on the possibility of sending oil fences owned by the Maritime Safety Agency to the Gulf to control the oil slick.

Following Tuesday's cabinet meeting, Minister for International Trade and Industry Eiichi Nakao also briefed Prime Minister Toshiki Kaifu on his ministry's plans to assist with efforts to control the slick.

Nakao suggested that with the cooperation of Japanese oil firms the nation could offer 20 kilometers of oil fence plus the one-kilometer stretch of fence already available in Saudi Arabia owned by the Arabian Oil Co. of Japan.

MITI hopes to reach an agreement with the other ministries and agencies on how the financial burden would be borne and to which Gulf nations and for how long the fences will be offered.

According to the International Trade and Industry Ministry (MITI), Japanese oil companies possess 320 kilometers of oil fence, but to guard against any domestic accidents some 240 kilometers would have to be kept in Japan. Of the remaining 80 kilometers, MITI plans to offer what it can put together within three days of a request.

Airlines Bar Iraqis From Tokyo-Paris Flights

OW2901085791 Tokyo KYODO in English 0836 GMT 29 Jan 91

[Text] Narita, Chiba Pref., Jan. 29 KYODO—All three airlines flying the Tokyo-Paris route are refusing to allow Iraqi nationals on board their flights from Japan to Paris in response to a French Government ban on entry by Iraqi nationals, airline officials said Tuesday.

Air France officials said the airline has been barring Iraqis from its flights to Paris since the outbreak of war in Persian Gulf.

The airline said the measure was applied after the French Government banned the entry into or transit through France of all Iraqi nationals.

Japan Airlines (JAL), which started the same step on Friday, said it is allowing Iraqis to use other JAL flights from Narita.

All Nippon Airways (ANA) on Tuesday also confirmed it is stopping Iraqi passengers from boarding its Paris-bound flights.

Government Denies Jordan Rebuff on SDF Flights

OW2901054591 Tokyo KYODO in English 0513 GMT 29 Jan 91

[Text] Tokyo, Jan. 29 KYODO—The Government denied Tuesday that Jordan is reluctant to allow Japanese military aircraft to land on its territory to evacuate refugees fleeing the Persian Gulf war.

Chief Cabinet Secretary Misoji Sakamoto said the government has informally discussed with Amman the possibility of sending Air Self-Defense Force (ASDF) transport planes to Jordan, but denied Jordan had indicated it was opposed to the proposal. "We are in the midst of investigating the technical aspects and have no concrete plans at present" to dispatch the military planes, Sakamoto told reporters.

A Foreign Ministry official declined to comment on the report in the ASAHI SHIMBUN newspaper, which said Jordan had expressed reluctance to receive the planes during informal discussions. "The Jordan Government has not officially stated its position," said the official, who asked not to be identified.

Prime Minister Toshiki Kaifu has said Japan is prepared to dispatch military C-130 transport planes to help evacuate refugees under circumstances that would pose difficulties for civilian aircraft. The government has not clarified what those conditions might be.

The ruling Liberal Democratic Party has dispatched an advance team to the Middle East to lay the groundwork for the plan to use four C-130 planes to shuttle war refugees from Syria and Jordan to Cairo, from where planes from Japanese civil airlines would return them home.

The delegation, led by former Labor Minister Toshio Yamaguchi, was to travel to Syria and Jordan after observing the evacuation from Cairo on Monday of some 580 Vietnamese refugees by Japanese airlines.

The plan to use ASDF planes has stirred a controversy among Japanese opposition parties, which are concerned about creating a precedent for an expanded role for Japan's military.

Kaifu has said in Diet debate that the dispatch would be strictly for humanitarian purposes, and thus is consistent with Japan's war-renouncing Constitution.

Tokyo Talks With Philippines on SDF Overflights

OW2801140691 Tokyo KYODO in English 1318 GMT 28 Jan 91

[Text] Manila, Jan. 28 KYODO—Japan has consulted the Philippines on its plans for Japanese miliary transport planes to overfly its territory on their way to evacuate refugees trapped in the war-torn Persian Gulf region, Philippine officials said Monday.

Seichi Kondo, minister at the Japanese Embassy here, said Tokyo has asked Manila if it is possible for air Self-Defense Force [SDF] aircraft to pass over Philippine territory but Japan has not yet asked for official permission.

Manuel Yan, Department of Foreign Affairs (DFA) undersecretary, said Manila consented to the overflights when Tokyo informally raised the issue last week.

Foreign Secretary Raul Manglapus has declined to comment on Japan's plan to send military aircraft to evacuate refugees from the Gulf as part of Tokyo's support for the U.S.-led war effort against Iraq.

The Philippines and other Southeast Asian nations which bore the brunt of Japanese militarism during World War II opposed Japan's earlier plan to commit noncombat military personnel to the Gulf.

"We know that Japan is under tremendous pressure from the Americans. The Americans think that Japan has equally as heavy a stake in seeing to it that the supply of Mideast oil is not compromised," the DFA official said.

Another ranking DFA official said Manila continues to have reservations about Tokyo's move, saying it could begin the process of Japan's reemergence as a military power. He pointed out that Manila agreed because of the government's unqualified backing for the U.N. action in the Persian Gulf.

"We're wondering why they need to send Self-Defense Forces aircraft on a mission which can obviously be undertaken by civilian aircraft?" said the official who asked not to be identified.

"We're wondering whether this is the first step toward Japan's attempt to project a military presence beyond the 1,000 mile defense radius," he said.

SRV Gulf War Refugees Arrive in Cairo 28 Jan

OW2801173091 Tokyo KYODO in English 1454 GMT 28 Jan 91

[By Masanori Kikuta]

[Text] Cairo, Jan. 28 KYODO—A group of 580 Vietnamese escaping the Persian Gulf war arrived in Cairo by bus Monday to return home on Japanese commercial aircraft.

The Vietnamese were the first group of Asian war refugees to be flown home from Jordan and Syria under a Japanese Government rescue program.

The program is part of a 9 billion dollar package Tokyo announced last week to assist multinational efforts to free Kuwait from Iraqi occupation.

The Vietnamese were scheduled to leave Cairo for home on two Japan Airlines Boeing 747s later in the day via London and Tokyo, said officials at the Japanese Embassy in the Egyptian capital.

The refugees departed from a camp outside the Jordanian capital of Amman on Saturday and braved a snowstorm to arrive in Aqaba on the Gulf of Aqaba coast Sunday evening. They were ferried to Nuweiba on the Egyptian side of the coast before traveling on to Cairo.

Thousands of refugees are trapped in Jordan awaiting evacuation, according to Japanese diplomats. A second group of 380 refugees will leave Jordan for Cairo on Tuesday, they said.

A team of officials from Japan's ruling Liberal Democratic Party is staying in Cairo to prepare for a plan to shuttle Asian refugees on four Japanese Air Self-Defense Force C-130 transport planes from Jordan and Syria to Cairo.

Schedule of SRV Evacuees Reported

OW2901074591 Tokyo KYODO in English 0705 GMT 29 Jan 91

[Text] Tokyo, Jan. 29 KYODO—The first group of 580 Vietnamese refugees from the Persian Gulf war are scheduled to arrive Tuesday night at the new Tokyo International Airport at Narita from Cairo aboard two government-chartered planes en route to Vietnam, government officials said.

They are scheduled to leave Narita for Ho Chi Minh City early Wednesday after several hours of rest, the officials said.

The Vietnamese, mostly laborers who fled Iraq to Jordan following Iraq's invasion of Kuwait in August, are the first Asian refugees to be flown home under the Japanese Government's refugee evacuation program.

Japan plans to airlift a total of some 1,000 refugees from the war-torn Middle East areas at the request of the Geneva-based International Organization of Migration (IOM).

The second batch of 465 refugees—383 Vietnamese and 82 Thais—will come to Tokyo from Cairo on Thursday aboard another two planes chartered by the Japanese Government.

The 580 Vietnamese refugees boarded the two Japan Airlines aircraft on Monday in Cairo, where they arrived after traveling by ferry and bus from Jordan after leaving refugee camps in the suburbs of Amman.

Japanese police officers and Foreign Ministry officials are accompanying the refugees on their flight to Japan via London and Paris.

U.S. Envoy: 'Antipathy' Toward Japan 'May Grow'

OW2801123291 Tokyo KYODO in English 1159 GMT 28 Jan 91

[Text] Tokyo, Jan. 28 KYODO—U.S. Ambassador Michael H. Armacost said Monday if the Persian Gulf war drags on and casualties increase amid the ongoing business recession, U.S. antipathy to Japan may grow.

The envoy expressed his concern when he met Gaishi Hiraiwa, new chairman of the powerful Federation of Economic Organizations (Keidanren), at the Keidanren Building, federation officials said.

Armacost reiterated his call for Japan to open its rice market to foreign suppliers. He warned that if the Uruguay Round of General Agreement on Tariffs and Trade (GATT) negotiations over farm trade liberalization fails, U.S. Congress will invoke its Super 301 clause of the U.S. Omnibus Trade Act of 1988, allowing it to slap sanctions on countries it perceives as unfair traders.

The U.S. envoy expressed appreciation for Japan's additional 9 billion dollar contribution to the U.S.-led multinational forces fighting Iraq, and hailed the Japanese Government's decision to send Self-Defense Forces transport planes to Jordan to help carry refugees from Iraq back home.

The U.S. now has an ambiguous attitude toward Japanese investments in the country, wishing for funds but simultaneously feeling that part of its assets are being taken away by the Japanese, Armacost also said, according to Keidanren officials.

It is difficult for the U.S. to break out from its current recession, and if the Gulf war is prolonged and casualties increase under such circumstances, U.S. congressional sentiment against Japan may harden further, the ambassador said.

Institute Reports on Economic Impact of Gulf War

OW2601063691 Tokyo KYODO in English 0610 GMT 26 Jan 91

[Text] Tokyo, Jan. 26 KYODO—The Bank of Japan may be forced to raise the official discount rate later this year if the Persian Gulf war drags on, a private research organization predicted Saturday.

The Cosmo Securities Economic Research Institute made the prediction in an analytical report on the impact of the Middle East war on Japan's economy.

The report said crude oil prices would surge to 80 dollars a barrel temporarily if oil wells and loading ports in Saudi Arabia and Kuwait suffered heavy damage.

The central bank is likely to raise the official discount rate by around 0.5 percentage point in the third quarter of this year, the report said.

As for Japan's financial support for the war, the report said that in the worst case, Japanese contributions would amount to as much as 22.5 billion dollars, including 9 billion dollars pledged by the government Thursday.

In such a case, real growth of Japan's gross national product in fiscal 1991 would slow to 3.4 percent with consumer prices rising 3.9 percent, up 0.9 percentage point from the preceding year, the report said.

The report said the nation's current account would show a 73.8 billion dollar fall to post a deficit of 30.6 billion dollars.

The report added that if the war ends by the middle of this year, crude oil prices would show a mild rise and the official discount rate would likely be lowered by 0.5 percentage point.

Saudi Arabia To Cut Feb Shipments of NGL

OW2901101491 Tokyo KYODO in English 0958 GMT 29 Jan 91

[Text] Tokyo, Jan. 29 KYODO—Saidu Arabia has informed Japanese oil industry companies it will cut February shipments of natural gas liquid (NGL), to Japan by 40 percent, oil industry sources said Tuesday.

Natural gas liquid is a type of naphtha used in petrochemical production.

Japanese trading companies ordered an estimated 400,000 tons of NGL from Saudi Arabia for February, but the sources said the Saudis could supply only 250,000 tons.

The effects of the supply cut might be negligible, they said. Japan has a 68-day stockpile of naphtha, and if necessary, can import it from Southeast Asia, they added.

MITI Reports Increase in 1990 Crude Oil Imports

OW2801063691 Tokyo KYODO in English 0600 GMT 28 Jan 91

[Text] Tokyo, Jan. 28 KYODO—Japan's crude oil imports in December rose 12.4 percent from a year earlier to 143.64 million barrels, the Ministry of International Trade and Industry (MITI) said Monday.

Crude imports in 1990 totaled 1,438.90 million barrels, up 9.1 percent from the previous year, MITI said in a monthly report on oil statistics. The ministry attributed the year-on-year increase to strong demand for petroleum products and electricity.

December imports from Saudi Arabia more than doubled to 28.24 million barrels, accounting for 19.7 percent of the total crude oil imports.

The United Arab Emirates was the largest supplier of oil for Japan in December, exporting 34.41 million barrels, or 24.0 percent of the total. Imports from Latin America and China declined in the month.

Production of fuel oil surged 5.1 percent from the year-earlier level to 114.98 million barrels.

Imports of fuel oil plunged 43.4 percent to 18.76 million barrels.

For all of 1990, production of fuel oil rose 10.4 percent to 1,159.88 million barrels, while imports of fuel oil dropped 12.6 percent to 280.03 million barrels.

Mongolia

Gombojabyn Ochirbat Departs for PRC 28 Jan

OW2901052291 Ulaanbaatar MONTSAME in Russian 1434 GMT 28 Jan 91

[Text] Ulaanbaatar, 28 Jan (MONTSAME)—Gombojabyn Ochirbat, chairman of the MPRP [Mongolian People's Revolutionary Party] Central Committee, left for the PRC today at the invitation of the CPC Central Committee.

G. Ochirbat was accompanied by B. Bathishig, secretary of the MPRP Central Committee; J. Chunagsuren, chief of an MPRP Central Committee department; S. Tudeb, Central Committee official; and L. Gantomor, chairman of the party committee of the capital's construction trust for technical assistance.

G. Ochirbat and accompanying officials were seen off at Bayant-Uhaa Airport by S. Dashdabaa, member of the Presidium and secretary of the MPRP Central Committee; B. Dash-Yondon and T. Oold, members of the MPRP Central Committee Presidium; K . Dzardyhan, deputy chairman of the MPR State Small Hural; J. Choynhor, first vice minister of external relations; B. Enebish, chairman of the Presidium, executive administrator of the people's hurals of Ulaanbaatar City, and chairman of the Mongolian-Chinese Friendship Association; and other officials, as well as Zhang Delin, PRC ambassador to the MPR.

In an interview with a MONTSAME correspondent before his departure for the PRC, G. Ochirbat noted that the friendly visit to the People's Republic of China presents us with a good opportunity to acquaint ourselves with the constructive successes of the Chinese people, particularly with the rich experience of successful realization of economic reforms in the PRC. We consider that the visit will undoubtedly have a specific influence on deepening ties between our two parties, as well as effective development of relations between the MPR and PRC in the political, economic, scientific, cultural, and other spheres. In conversations and talks with the PRC leaders we shall exchange opinions on not only questions of politics and the activities of the two parties, but also on topical international problems as well, particularly on urgent questions on the situation in the Asian and Pacific region, G. Ochirbat emphasized.

Ganbold Leads Delegation to World Economic Forum

OW2901051791 Ulaanbaatar MONTSAME in Russian 1440 GMT 28 Jan 91

[Text] Ulaanbaatar, 28 Jan (MONTSAME)— A government delegation of the MPR [Mongolian People's Republic], headed by D. Ganbold, first vice premier, left Ulaanbaatar today for Switzerland to take part in the "World Economic Forum," which will be held from 1 to 7 February in Davos. This will be the first time Mongolia has been represented at this international meeting of world politicians and economists, representatives of big business, and leading specialists and scientists from more than 50 countries.

Participation of Mongolian representatives in the work of the forum is notable in itself, as it reflects the increased international interest in the reconstruction processes occuring in the MPR and approval of its progress abroad. A one-and-a-half-hour briefing by the Mongolian delegation will take place on the opening day of the conference, at which its head will present a report "Mongolia 1991—year of change." As the head of the Mongolian delegation told a MONTSAME correspondent, he will acquaint participants with the economic situation in his country and difficulties in changing to a market system, and with the content and principles of the government program and specific measures in this direction. The Mongolian delegation plans to have bilateral meetings and talks with delegates of more than 10 countries, including Japan, the FRG, Italy, Sweden, and South Korea.

The MPR delegation attaches importance to the forthcoming forum and hopes for economic, financial, and moral support of the business world, D. Ganbold said.

Mongolian-Vietnamese Amity Group Meets 28 Jan

OW2901051591 Ulaanbaatar MONTSAME in Russian 1445 GMT 28 Jan 91

[Text] Ulaanbaatar, 28 Jan (MONTSAME)—A meeting of members of the Mongolian-Vietnamese Friendship Association was held here today. It heard and discussed a report of its leaders, adopted a new charter, and discussed organizational issues. Lieutenant General Jambyn Jamyan, Hero of Labor of the MPR [Mongolian People's Republic], was elected honorary president of the association, and Sonom-Ishiyn Dashtsebel, scientific secretary of the Oriental Studies Institute of the MPR Academy of Sciences and candidate of sciences, was elected chairman.

North Korea

Announcement of Team Spirit-91 Reported

SK2601030591 Pyongyang Domestic Service in Korean 1200 GMT 25 Jan 91

[Text] According to a broadcast report from Seoul, the U.S. imperialists and the South Korean puppet clique, which have been stepping up the inspiring of a confrontation and war atmosphere on the Korean peninsula by taking advantage of the Gulf war, have officially announced in Seoul and Washington today that they will begin the Team Spirit-91 war rehearsal for northward invasion. They announced that the war rehearsal will continue from today to the end of April.

The Team Spirit joint military exercise, which the U.S. imperialists and the puppets are about to conduct again, is a preliminary war and a test nuclear war exercise aimed at waging a preemptive strike on our northern half of the Republic. It is said that the U.S. Armed Forces which will participate in the Team Spirit-91 war rehearsal will leave the U.S. mainland beginning the end of January and later this year arrive in South Korea. This means that the U.S. imperialists are attempting to dispatch their troops to South Korea earlier than their previous practice of moving their aggression troops from the mainland beginning early February. This clearly shows that the U.S. imperialists are blocking the independent and peaceful reunification of Korea and leading the situation on the Korean peninsula to the brink of war by taking advantage of the Gulf war.

All the Korean people will closely watch the provocative and adventurous aggressive war rehearsal of the U.S.

imperialists and their stooges with high revolutionary vigilance, and will never tolerate their scheme for northward invasion.

South Treatment of Student Activist Reported

SK2201071391 Pyongyang KCNA in English 0430 GMT 22 Jan 91

["South Korean Authorities' Brutal Tortures"—KCNA headline]

[Text] Pyongyang January 22 (KCNA)—The director of the Seoul Sadang Hospital exposed the fact that the "Security Planning Board" tortured Kim Yo-sop, former chairman of the General Student Council of Hallim University, who was arrested on the charge of involvement in the "Chamintong case", according to a South Korean newspaper report.

The director who examined Kim in compliance with his appeal said that he had been beaten black and blue and got a bruise on the left chest by a blow.

He disclosed that Kim Yo-sop, after being taken to the "Security Planning Board", was put by two agents belonging to the "special support corps" to a torture in which the two men forced him to sit down with a square stick between the thighs and calves and pressed him down by jumping on his head. They trampled him underfoot and beat him scores of times.

This tells that the South Korean authorities still resort to brutal tortures in defiance of the unanimous denunciation at home and abroad and are trying to rig up fictitious "cases" by forcing false confession out of the victims of torture.

Daily Denounces South 'Anti-Communist' Campaign

SK2201053791 Pyongyang KCNA in English 0448 GMT 22 Jan 91

["Folly of Refusing Dialogue and Peace"—KCNA headline]

[Text] Pyongyang January 22 (KCNA)—NODONG SINMUN today condemns the U.S. imperialists and the South Korean authorities for launching an anti-communist confrontation campaign against the North after the outbreak of the Gulf war.

The news analyst says:

The U.S. imperialists and the South Korean rulers are leading the situation on the Korean peninsula to a higher pitch of strain with bombing exercises simulating an attack on the North.

They have no ground for aggravating the tension on the Korean peninsula with the outbreak of the Gulf war.

The No Tae-u ruling group, under the command and manipulation of U.S. imperialism, put the whole army on alert, launched an anti- communist confrontation campaign, hurling slanders at the North. This is a virtual expression of opposition to dialogue and peace and a grave anti- national criminal act deliberately increasing the tensions on the Korean peninsula and bringing the situation to the brink of war. It is also a premeditated move to openly resort to military fascist repression under the pretext of "emergency security" in order to stifle the patriotic pro- reunification democratic forces and pave the way for extending the dictatorship.

The No Tae-u ruling group intends to realise its criminal scheme at one stroke, taking issue with the North after the outbreak of the Gulf war.

Only the flunkeyist traitors, separatists and military fascist dictators like the No Tae-u group can commit such criminal acts against democracy, peace and reunification as bringing the flames of war from the Gulf in an attempt to aggravate the North-South relations, block the road of peace and reunification and pave the way for staying long in power with intensified military fascist dictatorship.

Today when the U.S. imperialists and the South Korean puppets, ready for action against the North, are committing provocations against the North and are going to stage "Team Spirit" joint military maneuvers by bringing huge aggression armed forces from overseas, nobody can vouch that another war against the North would not break out on the Korean peninsula.

The entire Korean people in North and South will never watch with folded arms the grave situation today in which the cause of peace and reunification of the country and the security of the nation are endangered by the criminal acts of the U.S. imperialists and the No Tae-u group.

If the No Tae-u ruling group persistently follows the line of anti-communist confrontation, war and fascism, it will inevitably be denounced by the Korean people and face a bitter judgement by history.

Voice of National Salvation on Trade Unions

SK2301062391 Pyongyang KCNA in English 0506 GMT 23 Jan 91

[Text] Pyongyang January 23 (KCNA)—The director of the labour department of the central committee of the South Korean National Democratic Front (Hanminjon) issued a statement to the press on January 20 on the first anniversary of the formation of the National Council of Trade Unions (Chonnohyop), according to radio Voice of National Salvation.

He said that the foundation of Chonrohyop and its courageous struggle were a great event in history which opened a broad avenue of the labour movement, created a new atmosphere of struggle filled with the conviction of sure victory and vitalized it and demonstrated the indestructible might of the organized toiling masses.

Chonnohyop has covered a road of valiant struggle as a permanent fighting organization of democratic trade unions which was inaugurated through a bloody struggle against harsh repression and obstructive moves of the No Tae-u military dictatorial "regime", he noted.

He stressed that Chonnohyop has assumed a historical obligation to lead the struggle of the toiling masses awakened and united as one to liquidate the days of oppression and submission, the era of subjugation and dictatorship.

Our Hanminjon, together with the patriotic people of all segments, expresses the expectation and belief that Chonnohyop which greets the first anniversary of its founding, conscious of its position as the centripetal core of the labour movement, will develop the labour movement to a higher stage by countering desperate suppression by the No Tae-u military dictatorial "regime" with superb strategy and tactics and active offensive, and discharge its obligation in opening a new horizon of independence, democracy and reunification, he said.

Voice of National Salvation on South DLP

SK2201155291 Pyongyang KCNA in English 1521 GMT 22 Jan 91

["Crimes of 'DLP [Democratic Liberal Party] Regime' Condemned"—KCNA headline]

[Text] Pyongyang January 22 (KCNA)—A spokesman for the South Korean National Democratic Front made public Monday a statement denouncing the anti-national and anti-reunification crimes of the "regime of the Democratic Liberal Party" [DLP] on the lapse of one year since the No Tae-u ruling quarters framed up the "DLP", according to Radio Voice of National Salvation.

The statement branded the formation of the "DLP" as an anti-democratic, political coup d'etat and the past one year of the No's "DLP" group as "a year of anti-democratic, anti-reunification and anti-national crimes."

What cannot be overlooked in the DLP's treacheries is No's "anti-reunification" act, the statement said, and pointed out: The No group's action in the past one year was the zenith of fascism, not "democracy" and "reunification" about which they never failed to say, and acceleration of the freezing of national division and the deepening of flunkeyist subordination.

Noting that the treacheries of No's "DLP" group to democracy, reunification and nation can never be pardoned, the statement stressed:

The people of various strata should demonstrate pan-national will to reject the DLP" in the "local autonomy elections" and deal a decisive blow at No's "DLP" group, countering the enemy's desperate reactionary offensives with active offensives.

They should also strip bare the treacherous "theory of unifying systems" and realize the unshakable national consensus of agreement on reunification by means of confederation based on one nation, one state, two systems and two governments, and drive No's "DLP" group into an inextricable dilemma within and without.

Confederal System of Reunification Stressed

SK2301103291 Pyongyang Domestic Service in Korean 1150 GMT 18 Jan 91

[Unattributed talk: "The North and the South Can Coexist Within a Reunified State"]

[Text] In his New Year address this year, the great leader Comrade Kim Il-song taught: If the two systems are based on a common national character which has been inherited without interruption through the ages, they can certainly coexist within the nation and within a reunified state.

In his New Year address this year, the great leader stressed that the reunification of our country should be achieved in the manner of a confederal system based on one nation, one state, two systems, and two governments. He also explained that if the North and the South base themselves on their common national nature which has been inherited through out their history, they can certainly coexist within one nation and as one reunified state even though their systems are different.

Reunifying the nation under a confederal system, which envisages the achievement of national reunification in such a manner as to establish one reunified national state while leaving intact the two different systems and two governments of the North and the South, is the most realistic, reasonable, and fair reunification method which enables the North and the South to achieve national reunification peacefully and promptly by realizing mutual reconciliation and unity as the same people.

We put forward establishing the democratic confederal republic of Koryo [DCRK] a long time ago as a method for establishing one unified national state through collaboration between the North and the South, leaving the ideologies and systems in the North and the South intact. With its realistic and reasonable nature, this method, as soon as it was made public, enjoyed positive support and agreement from our people in the North and the South and the people of the world.

Some people, including the South Korean authorities, claim that since the North and the South have become heterogeneous, homogeneity must be restored for reunification. This is a sophistry put forward by those who are pursuing the permanent division of the nation to conceal and justify their criminal scheme.

Although the North and the South lived separately for more than 40 years, there is no change in their common national character as the same people, and thus they are still a homogeneous people.

The Korean people's lineage and language—the most essential manifestations of national identity—are the same. Our people live on the Korean land on which our forefathers created a long history and culture, regarding this land as our nest.

In other words, there is nothing changed in the North and the South. What is different between the North and the South, if there is anything, is the heterogeneity concerning the two systems which have existed for the last 40 years. If this heterogeneity is compared to national homogeneity that has been formed and consolidated over several thousand years, there are no serious problems.

The difference in the two systems cannot be the condition which is forcing our people to live separately nor an obstacle which the North and the South cannot overcome in achieving reunification.

Failing to see this possibility, the South Korean authorities, on the pretext of restoring homogeneity, claimed that we must live separately as two states until the systems are unified, and insisted on the integration of systems based on one state and one system. This is designed to endlessly maintain the division of the nation. This also means that they do not want reunification.

What makes this an issue is that South Korean puppets are persistently pursuing the heterogeneity of the nation for their two Koreas plot, not because the North and the South have become heterogeneous.

Upholding the U.S. imperialists as liberators and helpers, the successive South Korean ruling bunches have infused the worship and respect the U.S. idea into the people and implanted the American way of life. Thus, they spoiled the Korean people's inherent good morals and manners by eliminating the people's spirit for national independence.

In the economic sector, the puppets broke off economic ties between the North and the South, and made the South Korean economy an extension of the U.S. economy. The South Korean ruling bunch, which is running amok with nation-selling flunkeyist treachery, has advanced even the theory of national (?conversion) while attempting to cut the genealogy of the nation.

The South Korean ruling bunch perpetrated atrocious anticommunist smear and slander maneuvers to make the North and the South hostile to each other!

The purpose of the U.S. imperialists and the South Korean ruling bunch was to make the North and the South a different country and to split the people and the nation. However, the U.S. imperialists and the South Korean ruling bunch have not been able to realize their criminal scheme.

Today the South Korean people are strongly resisting the U.S. imperialists' policy for colonial subjugation and waging the vigorous struggle by upholding the slogans calling for withdrawal of U.S. troops and nuclear weapons and opposing the U.S. economic invasion.

The anticommunist confrontational policy of the U.S. imperialists and the South Korean puppets could not evade bankruptcy, and the determination to achieve collaboration with communists and collaboration with the North by realizing national unity is now sweeping over South Korea.

As a homogeneous people who from ancient times have inherited the same blood, the Korean people courageously expelled the invasions of outside forces and glorified their long history and culture. The Korean people are a proud, strong people. Although the Japanese imperialist colonial rulers attempted to eradicate the Korean people for 36 years while raving that "Japan and Korea are in the same community" and have "the same destiny" and so forth, our people resisted them to the end and safeguarded our national characteristics. Thus, they achieved the historic cause of national liberation through glorious struggle.

Although the U.S. imperialists and the South Korean puppets are attempting to permanently split the North and the South by fabricating two Koreas, the Korean people will never tolerate such maneuvers.

Last year, fellow countrymen from all walks of life in the North and the South met each other and held dialogue and reunification festivals. This was a significant picture impressively showing that our fellow countrymen in the North and the South, though they live under different systems, are nationally collective and ardently want reunification, that they can easily come to an understanding only if they meet, and that they can vigorously pioneer the road of reunification by realizing mutual reconciliation and unity.

Nevertheless, the South Korean ruling bunch, ignoring the Korean people's shared national nature which has been inherited through the ages and their ardent aspirations for reunification, insisted on the theory of integration of systems on the pretext of recovery of homogeneity. This is indeed unrealistic and anti-national.

Under the condition that the different systems firmly exist in the North and the South and neither side is going to concede anything to the other, no one can guess when the integration of systems will be realized.

Furthermore, since the integration of systems assumes one side's conquest of the other as a precondition, the integration may cause clashes between the North and the South and even the calamities of war.

The South Korean authorities should discard the illusion of reunification through victory over the communists. They should respond to our proposal to achieve reunification through a confederal system based on one nation, one state, two systems, and two governments.

Achieving national reunification in such a manner as to establish a unified national state by leaving intact the different systems and different governments that exist in the North and the South is the best method for fairly resolving the reunification question according to the practical conditions of our nation and the national interest.

If the North and the South strive to resolve the reunification issue based on the common national character, they can certainly achieve reunification through the confederal system and coexist in one nation and one reunified state.

Upholding the militant tasks advanced by the great leader in his New Year address, our people in the North, in the South, and abroad will certainly expedite the day of national reunification based on the confederal system through united struggle.

Defector Discusses War-Related Moves in South

SK2901111991 Pyongyang Domestic Service in Korean 0440 GMT 22 Jan 91

[Interview with defector Mun Chin-kuk, former engineer on the missionary ship Halla of the Emmanuel Mission in Seoul, by Kil Man-su, reporter for the Korean Central Broadcasting Committee, under the title "South Masses Will Not Tolerate No Tae-u"; place and date not given—recorded]

[Text] [Kil] As you know, young Mun Chin-kuk, war has broken out in the Gulf region. At this time, the South Korean authorities are running wild like tiger moths. I think you know this, too.

[Mun Chin-kuk] Yes, I do. I know that from media reports. First of all, the Gulf war again proved that No Tae-u is a war servant for the U.S. imperialists. As all of you know, No Tae-u has given money to the U.S. forces and multinational forces and has sent a military medical team, and is even trying to send combat troops. This is an unforgivable, treacherous act. Because he has sent the youth of the South as cannon fodder to the U.S. imperialists' war, No Tae-u is a war servant for the U.S. imperialists, is he not?

Therefore, describing the dispatch of the medical team as the restaging of the troop dispatch to Vietnam, all the people in the South oppose it. What is more unpardonable is the fact that, in sending the youth of the South to a battlefield, the No Tae-u ring has said that if they die in the Gulf region, they would give money four times the amount given for the loss of lives during the Vietnam war.

[Kil] He is propagandizing, is he not?

[Mun] An old maxim goes: Stop any quarrel. He committed such a treasonous act in order to inspire war, not to mention trying to stop the war. This is what only No Tae-u, an evil U.S. imperialists' servant, can do in this land. Seizing on the Gulf war, No Tae-u is kicking up a commotion in the South and even declared an emergency wartime system.

War broke out in the Gulf in the name of Operation Desert Storm. This is a fact. However, that region is several hundred miles away from the South. Therefore, neither bullet, nor the smell of powder is coming to the South. Nevertheless, just like a cow that is running wild on a burning river bank, No Tae-u is running amok. On the day when the war broke out in the Gulf, No Tae-u convened an emergency national security meeting, babbled about the North's nonexistent provocation, ordered all the puppet forces to keep strict guard, and ordered the police and pertinent government ministries and offices to assume an emergency security posture.

[Kil] The puppet South Korean National Defense Ministry did the same thing, too, did it not?

[Mun] That day, for its part, the National Defense Ministry hastily convened an emergency countermeasure meeting and released special instructions to keep strict guard, including the confinement of company commander-level officers and those higher than them in their barracks. It also established an emergency [word indistinct] system in an effort to prepare against unforeseen occurrences. It is also said that the Ministry is also planning to assume a combat readiness posture called Defcon-3 together with the U.S. forces occupying the South. This means that in the South, under No Tae-u's instruction [as heard], the U.S. imperialist forces have assumed a combat readiness posture, first of all; and the [South Korean] Armed Forces in areas along the military demarcation line and coastal areas are ready for deployment; and the police and other forces of suppression have already been mobilized in suppressing the masses. In this way, No Tae-u drove the South into an emergency wartime system.

[Kil] Early this year, we advanced a proposal to South Korea that a nonaggression declaration be adopted, and proposed that this year be the year of detente and peace and that of [words indistinct], did we not?

[Mun] That is correct. The military commotions by the No Tae-u ring virtually means that seizing the Gulf war, it has rejected dialogue, reunification, and peace with the North. As I once said, No Tae-u has the vicious motive of maintaining the U.S. forces in the South and archiving reunification by conquering communism with their assistance. It is said that he has seized the Gulf war as a golden opportunity. Moreover, seizing the Gulf war, the No Tae-u ring declared a wartime system for a purpose. His first purpose is to resolve a crisis facing No Tae-u's military fascist dictatorship. In the South, a struggle has widely been staged to oppose No Tae-u's military dictatorial regime and to achieve independence, democracy, and reunification. It is said that the No Tae-u regime will not be able to survive this spring as a result. Therefore, using the Gulf war as a pretext, it is trying to suppress forces for reunification and democracy, thus resolving the crisis. No Tae-u's second purpose is to stay in power for an extended period of time. Elections to local assemblies will soon be held in the South. He must hold these elections to bring him good results, thus strengthening his military dictatorship. His plan has not been going as well as he intended. Therefore, seizing the Gulf war as a golden opportunity, No Tae-u is kicking up a military commotion on a large scale under the pretext of threats of southward invasion, thus promoting a terror-smitten atmosphere and inspiring the consciousness that war is imminent among the people. He is also suppressing the patriotic democratic forces by mobilizing the forces of suppression. In this way, he is trying to hold elections for local assemblies to bring him good results and to extend his stay in power. Therefore, all of our fellow countrymen will not forgive the No Tae-u ring for kicking up these criminal maneuvers.

The working masses, youth and students, and other patriotic forces in the South will not tolerate No Tae-u the devil. If they tolerate this evil, the masses will not be able to live a comfortable life but instead an unhappy life. No Tae-u, a servant for the U.S. imperialists, will surely be killed at the hands of the U.S. fellows or the masses of the South, and this is just a matter of time. Therefore, to stop kicking up criminal maneuvers and resign from power, though belated, is the best way for traitor No Tae-u.

[Kil] Thank you, very much.

U.S. Pacific Command Reported Staging Exercises

*SK2301062291 Pyongyang KCNA in English
0540 GMT 23 JAN 91*

["War Exercises Against North"—KCNA headline]

[Text] Pyongyang January 23 (KCNA)—The U.S. Pacific Navy Command mobilized formations of A-6 assault planes based in Iwakuni, Japan, on Jan. 20 in an air strike exercise against the North in the South Korean sky for increasing the real war capacity, according to military sources.

On the same day, the U.S. imperialists deployed formations of fighter-bombers, pursuit-assault planes and tanker planes such as F-16, FA-18 and KC-135 in the Osan Airport from Atsugi and Misawa of Japan and Guam.

They brought formations of C-141, C-130 and C-5A transport planes loaded with lots of combat equipment to Osan and Kunsan Airforce Bases from overseas bases in the Pacific on Jan. 21.

The South Korean authorities staged provocative aerial war exercises against the North from Jan. 17 to 22, letting formations of fighter planes make a shuttle flight between Munsan and Kanghwa Island every day.

They openly perpetrated a military provocation against the North by bringing guns of various callibres to Samiltdong, Paju County, Kyonggi Province, which fired hundreds of live shells for long hours from Jan. 16 to 21.

This clearly shows how feverishly the U.S. imperialists and the South Korean authorities are working to unleash another war against the northern half of Korea.

Kim Yong-sun, Entourage Return From China

*SK2201120191 Pyongyang KCNA in English
1037 GMT 22 Jan 91*

[Text] Pyongyang January 22 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea [WPK], and his entourage returned home on January 22 after visiting China.

They were met at Pyongyang railway station by Kim Chae-pong, vice-director of a department of the WPK Central Committee, and Zheng Yi, Chinese ambassador to Korea.

Japanese Delegation Arrives To Discuss Relations

*SK2901110091 Pyongyang KCNA in English
1049 GMT 29 Jan 91*

[Text] Pyongyang January 29 (KCNA)—A Japanese side's delegation headed by Noboru Nakahira arrived here today to participate in the first inter-governmental full-dress talks for the normalization of diplomatic relations between the Democratic People's Republic of Korea and Japan.

It was met at the airport by Chon In-chol, head of the DPRK side's delegation to the talks.

Japanese Urge Early Normalization of Relations

*SK2201062091 Pyongyang KCNA in English
0433 GMT 22 Jan 91*

[Text] Tokyo January 20 (KNS-KCNA)—Japanese people are strongly demanding an early establishment of Japan-DPRK diplomatic relations.

Takio Sato, chairman of the Nanae-Cho Assembly, Hakodate City, Hokkaido, submitted to the prime minister and foreign minister of Japan recommendations demanding an early normalization of Japan-DPRK relations.

Resolutions and recommendations were adopted by the Tomakomai City People's Council for Japan-Korea solidarity, the Tomakomai, Shizunai and Wakkanai District Councils of Trade Unions, the Wakkanai Young Women's Association and the Wakkanai District Committee for Japan-Korea Youth Solidarity.

They, underscoring the justness of the joint declaration of the Workers' Party of Korea and the Socialist Party and Liberal Democratic Party of Japan, strongly demanded an early normalization of Japan-Korea relations according to the declaration.

A resolution urging an early establishment of Japan-Korea diplomatic relations was adopted at the seventh meeting of the Tottori Prefectural Centre of Trade Union Councils, which said: the three parties of Japan and the DPRK agreed to have an inter-governmental contact for the removal of the abnormal state between the two countries, an early establishment of Japan-DPRK relations and the solution to the outstanding problems. This is a very significant event in such issues arising in improving Japan-Korea relations as the liquidation of the Japanese colonial domination over Korea beginning from 1910, the settlement of the postwar reparation, the promotion of the normalization of Japan-DPRK relations.

The resolution strongly requested the prime minister and the foreign minister to establish diplomatic relations with the DPRK at an early date according to the three-party joint declaration.

Niigata Prefecture Forms Group To Promote Ties

SK2201071891 Pyongyang KCNA in English 0426 GMT 22 Jan 91

[Text] Tokyo January 20 (KNS-KCNA)—A Niigata Prefectural People's Council for the Promotion of the Establishment of Japan-DPRK Diplomatic Relations was formed on January 14.

The inaugural meeting adopted a request urging the Japanese Government to adhere to the joint declaration of the Workers' Party of Korea, the Japan Socialist Party and the Liberal Democratic Party and promptly establish Japan- DPRK diplomatic relations.

At the meeting, Rikizo Kobayashi, chairman of the Niigata Prefectural Society for Supporting the Repatriation of Koreans in Japan, was elected chairman of the Prefectural People's Council, and Sakuichiro Kazama, general director of the Centre of the Niigata Prefectural Council of Trade Unions, its general secretary.

Stating that for the Japanese Government to make efforts for an early normalization of diplomatic relations with the Democratic People's Republic of Korea on the basis of the joint declaration of the three parties was the earnest hope of the people in Niigata, the chairman vowed to develop the movement demanding an early normalization of Japan-DPRK diplomatic relations into an all-people movement involving all segments.

Korean, Japanese Artists in Japan Hold Exchange

SK2301060391 Pyongyang KCNA in English 0452 GMT 23 Jan 91

[Text] Tokyo January 21 (KNS-KCNA)—A new year gathering of Korean and Japanese men of culture and art took place in Tokyo on January 18 under the cosponsorship of the Union of Korean Literary Men and Artists in Japan and the Japan-Korea Association for Cultural Exchange.

In his speech General Director of the association Hayashi underlined the significance of the gathering of Japanese and Korean men of culture and art, the first of its kind, and called for adding shine to this year by elevating this spirit.

Speaking at the gathering, Chong Hwa-su, chairman of the central standing committee of the Union of Korean Literary Men and Artists in Japan, expressed the hope that the full-dress talks between the DPRK and Japan beginning at the end of this month will prove successful so that the two countries which have been close yet distant to each other will become particularly friendly nations.

He called upon Japanese and Korean men of culture and art to deepen mutual understanding and bring the flower of friendship into bloom in all parts of Japan.

Other figures made speeches and a performance was given by the Kumgangsan Opera Troupe of the General Association of Korean Residents in Japan (Chongnyon) and Japanese artists.

Parliamentary Delegation Leaves for Thailand

SK2201120091 Pyongyang KCNA in English 1045 GMT 22 Jan 91

Pyongyang January 22 (KCNA)—A parliamentary group delegation of the Democratic People's Republic of Korea led by Chae Hui-chong, vice-chairman of the Economic Policy Commission of the Central People's Committee, left here today to participate in the Asia-Pacific regional meeting of the Inter-Parliamentary Union on economic cooperation to be held in Thailand.

It was seen off at the airport by Yi Chun-sik, vice-director of the Secretariat of the Standing Committee of the Supreme People's Assembly.

Kim Exchanges Greetings With State Leaders

SK2301052491 Pyongyang KCNA in English 0443 GMT 23 Jan 91

[Text] Pyongyang January 23 (KCNA)—On the occasion of the new year 1991 President Kim Il-song of the Democratic People's Republic of Korea exchanged the new year's cards with Vaclav Havel, president of the Czech and Slovak Federative Republic; Borisav Jovic, president of the Presidency of the Socialist Federal Republic of Yugoslavia; Zine El Abidine Ben Ali, president of the Republic of Tunisia; and 'Ali 'Abdallah Salih, president of the Presidential Council of the Republic of Yemen.

African Leaders Support Kim Il-song Speech

SK2401045591 Pyongyang KCNA in English 0430 GMT 24 Jan 91

[Text] Pyongyang January 24 (KCNA)—The proposal for reunification by means of confederation based on one nation, one state, two systems and two governments, advanced by the great leader Comrade Kim Il-song in his New Year address, is a fair and realistic proposal.

H. Desmond Hoyte, president of the Cooperative Republic of Guyana, said this on January 17 when he met the DPRK ambassador to his country.

The government and people of Guyana fully support the proposal for reunification through confederation, he said, and demanded that the South Korean authorities accept this proposal.

Prime Minister of Benin Nicephore Soglo, when he met the DPRK ambassador January 18 who paid a farewell call on him, said Benin hopes that Korea will be reunified through confederation.

Vice President Meets Indian Ambassador

SK2301165591 Pyongyang KCNA in English 1521 GMT 23 Jan 91

[Text] Pyongyang January 23 (KCNA)—Vice-President Pak Song-chol today met and had a conversation at the Mansudae Assembly Hall with Shehkholen Kipgen, new Indian ambassador e.p. to Korea, when the latter paid a courtesy call on him.

Present there was Cho Kyu-il, vice-minister of foreign affairs.

Paper Views Demand for Anti-Imperialist Struggle

SK2501112991 Pyongyang KCNA in English 1041 GMT 25 Jan 91

[Text] Pyongyang January 25 (KCNA)—NODONG SINMUN today carries a signed article headlined "Anti-Imperialist Struggle Is Basic Demand for Independence, Sovereignty, Socialism and Peace."

What stand and attitude to adopt towards imperialism is a cardinal matter in the accomplishment of the people's cause of independence, the socialist cause, the author of the article says, and goes on:

For the world progressive people to maintain the principled stand towards imperialism today is more urgently required than before. It is because the imperialists are trying to cover up their aggressive aim and true color by all crafty means of disguise, clamouring about the end of the cold war and the advent of an era of peace and, at the same time, the imperialist subsidized trumpeters are prettifying their aggressive and predatory nature in every way.

The great leader Comrade Kim Il-song has said in his New Year address:

"The imperialists are clamouring about the end of a cold war and the arrival of the time of peace. But the international situation is still tense and complicated and a sharp confrontation and struggle between socialism and imperialism and between progress and reaction are going on."

The imperialists are directing the spearhead of their attack to socialism in their moves to establish domination over the world in the present period and their strategy of "peaceful transition" comes into the fore in their anti-socialist offensive. Their strategy of "peaceful transition" is aimed at bringing the socialist countries into the sphere of their political and economic domination by undermining them from within and swaying them to the path of capitalism.

"Transition" is a most crafty and heinous trick of anti-communist, anti-socialist offensive and one of the basic strategies to which they are resorting in gratifying their wild design for world supremacy at present.

The imperialists are intensifying their anti-socialist offensive as never before in a bid to realise their design for world domination and, at the same time, desperately resorting to the dominationist policy towards the developing countries which have abundant manpower and material resources, situated in the military vantages and major resource zones.

Strength is still the basic means by which the imperialists are dreaming of realising their design for world supremacy. Though they enforce the strategy of "peaceful transition" and follow the policy of "aid" and "cooperation", they are stepping up by more wicked methods the moves to attain the predominance of strength, while invariably pursuing the policy of strength behind the scene. And, taking advantage of the destruction of the balance of forces in the international relations, they are acting more arrogantly, launching piratic armed aggression against sovereign states without hesitation.

The reality shows that it is the imperialists who menace peace and create difficulties and confusions in the people's struggle for independence, sovereignty and socialism.

It is an essential demand for the victory of the cause of independence, the socialist cause to maintain the revolutionary stand and attitude towards imperialism and continue pressing ahead with the anti-imperialist struggle.

The people can successfully realize their desire and aspirations for independence, sovereignty, socialism and peace only by firmly adhering to the anti-imperialist stand, only through the steadfast struggle against the imperialists' policy of aggression and plunder.

Strategy of 'Peaceful Transition' Denounced

SK2201120291 Pyongyang KCNA in English 1022 GMT 22 Jan 91

[Text] Pyongyang January 22 (KCNA)—NODONG SINMUN today carries an article headlined "Essence of Imperialists' Strategy of 'Peaceful Transition'".

The author of the article quotes the great leader Comrade Kim Il-song as saying in his new year address:

"The imperialists' strategy of 'peaceful transition' is, in essence, aimed at bringing the socialist countries into the sphere of their political and economic domination by undermining them from within and swaying them to the path of capitalism."

It further says:

The strategy of "peaceful transition" is a revelation of the unchangeable nature of imperialism bitterly hating and opposing socialism and communism and a most hideous expression of anti-communism and anti-socialism.

The imperialists are building up arms and stepping up the development of nuclear weapons behind the curtain of "peace" and "detente" and launching piratic armed aggression against sovereign states and creating the danger of war in all parts of the world while acting arrogantly by taking advantage of the destruction of the balance of forces in the international relations. The imperialists' "peace" is the art of disguise to cover up their aggressive and predatory nature.

After the Second World War the U.S. imperialists, crying for "defence of free world" from the "threat of communism", chiefly resorted to the strategy of strength to threaten and subjugate the socialist countries and the national liberation movement with nuclear weapons and military and technical advantages.

But, going downhill from the time of the Korean war, they began clinging to peace stratagem, beside the strategy of strength, finding it impossible to attain their aim with the latter.

Through the socalled "peaceful transition" strategy the imperialists seek to cloud the reason of the people and create an illusion about capitalism among them and thus attain their aggressive aim without difficulty. They are leaving no stone unturned in their bid to realise their strategy of "peaceful transition".

They are, first of all, strengthening the ideological and cultural offensive against socialist countries.

The craftiness and viciousness of the imperialists' anti-communist and anti-socialist moves find clear manifestation in the slogan of "democracy", "human rights" and "freedom" chanted by them. By inciting bourgeois democracy and freedom among the peoples of socialist countries. They seek to destroy the faith in socialism and cause ideological vacillation among them, disintegrate the socialist system to its very roots and, furthermore, sway these countries to the path of capitalism.

They are trying to buy over the socialist countries with "aid". Trying to force "liberalisation" upon some countries, they allure them with the promise that they would grant "aid" and "special favors" to them according its progress and put pressure upon them to introduce capitalist market economy, giving up the socialist principle.

They also attempt to create a social and political confusion by instigating anti-socialist elements. They are working to undermine the authority and influence of the working-class parties in socialist countries and emasculate them and weaken ties between the parties and the masses.

In the "peaceful transition" strategy they thus seek the heinous aim of disorganizing the socialist countries from within and swaying them to the path of capitalism by employing such ideological and cultural methods and political and economic leverage, and thus bringing them into the sphere of their domination.

The imperialists are raising a shout of joy, clamouring about the "crisis of socialism". But it is a foolish act.

KCNA Reviews 28 Jan NODONG SINMUN

SK2801053291 Pyongyang KCNA in English 0459 GMT 28 Jan 91

[Text] Pyongyang January 28 (KCNA)—NODONG SINMUN today carries news that the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, exchanged New Year's cards with state, government and party leaders of different countries.

Foreign newspapers reported the New Year address of the great leader President Kim Il-song, according to the daily.

The daily devotes one whole page to memoirs headlined "President Kim Il-song and Socialism of Korea" by Dr. Alba Chavez, a woman parliamentarian of Ecuador, vice-president of Guayaquil University and director of the board of the International Institute of the Chuche Idea.

The daily gives an account of a meeting of Korean educationists, scientists and students studying at Japanese schools to express thanks to President Kim Il-song for sending the 117th instalment of educational aid fund and stipends which was held in Tokyo.

Carried in the daily are words of South Korean people expressing ardent reverence for dear Comrade Kim Chong-il, praising him as a great thinker and theoretician.

The daily informs the readers of a meeting held to convey a congratulatory message of the Central Committee of the Workers' Party of Korea to the party members and other working people of the Sangwon cement complex for their remarkable achievements in cement production and managevent of the complex.

The daily editorially calls for shattering the imperialists' counterrevolutionary offensives by firmly equipping the entire people with the anti-imperialist independent spirit.

It deals with new innovations effected in the production of mining equipment and timber.

Premier Yon Hyong-muk sent a message of greetings to George Kosmas Adyebo upon his appointment as Ugandan prime minister, according to the daily.

The Korean documentary film "Sentiments Between the Army and the People at Construction Sites" has been released, says the daily.

The daily reports that the chairman of the C.C., the Communist Party of Denmark and the secretary general of the Communist Party of Portugal met with the Korean ambassadors to their countries.

According to the daily, an agreement on trade and payments and a trade protocol for 1991 were signed in Pyongyang between the governments of the DPRK and Romania.

Carried in it is a statement of the Committee for the Peaceful Reunification of the Fatherland condemning the U.S. imperialists and the South Korean authorities for having announced a plan to stage the "Team Spirit" joint military exercises this year, too.

It is reported in the daily that the coalition for national democratic movement and the family movement for realizing democracy in South Korea held rallies against tortures and representatives of the Preparatory Committee of the south side's headquarters of Pomminnyon accused the authorities of their anti-democratic and anti-reunification act.

"Nonaggression Declaration Is Starting-Point in Opening New Phase of Peace and Reunification" is the title of a NODONG SINMUN article.

Raharisoasecheno Rosette Perle, secretary of the Ministry of Primary and Secondary Education of Madagascar [name and title as received], in his travelogue on Korea stressed that the single-hearted unity of the leader, the party and the popular masses is the spirit of Korea and that K. Kochetov, first vice-minister of defence of the Soviet Union, referred to the question of Korean reunification and the relaxation of military tensions on the Korean peninsula.

The daily in an article titled "Eternal Flames of Revolution" says that the Cuban people are advancing under the unfurled banner of revolution, guided by the ideology and fighting spirit of Jose Marti.

The Soviet State Statistics Committee made public an information on the economic situation last year, says the daily.

The daily informs the readers that the multinational forces continue air raid on Iraq and are stepping up preparations for ground battles, Iraq keeps dealing missile attacks on the U.S.-led multinational forces and Israel, repelling the air raid by the multinational forces, and demonstrations and rallies against the Gulf war have been held in various countries.

Iran made it clear that she would cooperate in the international humanitarian aid to the Iraqi people, reports the daily.

The daily in an article says that the African National Congress of South Africa is a political force that is struggling to clear South Africa of racism and achieve freedom and liberation.

Masses Held for Buddha's Day, Reunification

SK2301110091 Pyongyang KCNA in English 1007 GMT 23 Jan 91

[Text] Pyongyang January 23 (KCNA)—Masses to commemorate the day of Buddha's attainment of great wisdom and for national reunification were held today at temples of the Democratic People's Republic of Korea.

Present at the mass held at the Yonghwa Temple in Pyongyang were monks of the temple, clergymen of the Central Committee, the Pyongyang Municipal Committee and the Moranbong District Committee of the Korean Buddhists Federation and Buddhists in the city.

Venerable Hwang Pyong-tae, vice chairman of the Central Committee of the Korean Buddhists Federation, preached a sermon at the mass.

He stressed that in order to build a unified, independent new society, free from sufferings of national division, in our country, big efforts should be directed to bringing into practice the new proposal for national reunification advanced by the great President Kim Il-song in his New Year address, upholding it.

Noting that President Kim Il-song put forward a proposal for reunification by means of confederation based on one nation, one state, two systems and two governments, he said: This proposal fully accords with the middle-of-the-road view of Buddhism which requires us to give up prejudice of inclining to one side between the two and unite them into one.

The preacher stressed that this reunification proposal is a great principle of defining the most realistic method of national reunification which conforms to the specific conditions of our country.

In conclusion, he called upon all the Korean Buddhists in the North and the South and overseas to courageously turn out in the nationwide cause of peace and reunification of the country, closely rallied under the banner of the independent and peaceful reunification of the country.

An appeal to the Buddhists in the South and overseas was adopted at the mass.

Shipbuilding Industry Steps Up Ship Production

SK2301105791 Pyongyang KCNA in English 1000 GMT 23 Jan 91

[TExt] Pyongyang January 23 (KCNA)—The Ministry of Shipbuilding Industry is stepping up the building of various cargo ships.

The Ministry set itself a goal of building ships 1.3 times as many as were built last year and is overfulfilling its daily plan by between 5 and 10 percent.

The Hambuk shipbuilding complex which has set the yearly plan 50 percent higher than last year's is these days effecting innovations in building several 20,000 and 14,000 ton ships.

The Nampo shipbuilding complex is carrying out its daily assignments at more than 110 percent in building various types of ships including 14,000 ton ships, a 10,000 ton tanker, boats for damming off sea water and a floating dock.

The Wonsan shipyard, the Sinpo shipyard, the Kim Chaek shipbuilding factory and other units are pushing ahead with the building of various kinds of ships including 1,000 ton fishing boats.

'Thousands of Paintings' Created Last Year

SK2201153391 Pyongyang KCNA in English 1514 GMT 22 Jan 91

[Text] Pyongyang January 22 (KCNA)—Thousands of paintings reflecting the desire of the times and people were created in the DPRK last year.

1,240 pieces of the paintings were estimated as works worthy of national treasure for their high ideological and artistic level and peculiar contents and methods.

Among 50 pieces which were highly appraised for their successful representation of the requirements of the times and the revolution are the Korean paintings "Spring in Kalun" and "A Day on Ssuk Islet" portraying the revolutionary activities and popular virtues of the great leader President Kim Il-song and the Korean paintings "Dawn on the Way of On-the-Spot Guidance" and "Following the Path Covered by Marchers to Paektu" delineating the noble virtues and indomitable will of dear Comrade Kim Chong-il.

The Korean painting "Days of Study", the oil painting "Master of Land" and the embroidery "Sky Above the Native Village" depict well the Korean people stepping up socialist construction and their happy life.

Besides, the Korean painting "First Messenger Who Crossed Barrier of Division" based on the theme of national reunification, the embroidery "Morning" showing the beautiful landscape of our country and many other works were recorded as works worthy of national treasure.

Hydroelectric Power Plants Increase Output

SK2101154491 Pyongyang KCNA in English 1518 GMT 21 Jan 91

[Text] Pyongyang January 21 (KCNA)—Hydro-power stations of Korea are increasing the electric output these days.

According to data available, the output in the first 15 days of this month showed a jump of 143.7 million kwh [kilowatt-hour] above the corresponding period last year.

The Taedonggang power complex is fulfilling its daily quotas at more than 140 percent and the Changjagang and Kanggye youth power stations at over 109 percent.

The workers of the Pujongang and Taechon power stations increased the output of electricity 12.4 million kwh and 16.6 million kwh respectively in the first 15 days of the month as against the same period last year through proper control and full-capacity operation of the equipment.

The minor power stations are carrying out the daily assignments at 103 percent.

The minor hydraulic power stations in South Hamgyong and Yanggang Provinces are producng much electricity every day by readjusting and reinforcing the hydraulic power structures and actively tapping water resources.

Production of Industry Machinery Exceeds Plan

SK2301164091 Pyongyang KCNA in English 1514 GMT 23 Jan 91

[Text] Pyongyang January 23 (KCNA)—The Yongsong general machine bureau is hastening the production of a 5,450 hp [horsepower] compressor intended for chemical industry.

The workers there are now carrying out their daily plans at more than 150 percent after manufacturing six 4,000 hp compressors in a little over five months.

Machine shops Nos.1, 2, and 4 are fulfiling the daily quotas at 160 to 170 percent and machine tools including a 16 metre large- size lathe and a large-size drilling machine at 180 to 210 percent.

And the casting shop, press shop and steel casting shop also are setting new records in the production of parts of the compressor through a vigorous massive technical innovation movement.

The Yongsong general machine bureau has made a 10,000 ton press, a 40,000 cubic metre centrifugal compressor, a 120 metre large-size compounding tank and many other large- size units of ordered equipment.

Economic Organizational Work Stressed

SK1101111891 Pyongyang Domestic Service in Korean 0007 GMT 10 Jan 91

[NODONG SINMUN 10 January Special Article: "The Proper Implementation of Economic Organizational Work Based on Scientific Calculation Is an Important Demand for Fulfilling This Year's Economic Task"]

[Text] In his New Year address this year, the great leader Comrade Kim Il-song, elucidating the brilliant blueprint for this year's socialist economic construction, taught ways to effect a new turn in the guidance and management of the economy by thoroughly implementing the Taean work system. Improving the guidance and management of the economy by thoroughly implementing the Taean work system this year, the year which marks the 30th anniversary of the creation of the Taean work system, is of grave significance in the successful fulfillment of this year's vast task and in adding luster to our party's achievements which have opened a new epoch in socialist economic management. One of the important issues which arises in scientically and reasonably managing and operating the economy in conformity with the demands of the Taean work system is for all economic guidance functionaries to more properly plan and supervise economic organizational work based on scientific calculation.

In his New Year address the great leader stressed the need to ensure close cooperation between all functionaries and producers by strengthening the collective guidance of party committees and the need for functionaries and producers to enhance their sense of responsibility and initiative so that they can satisfactorily complete their economic tasks. Along with this, he set forth the task of planning and supervising economic organizational work under the principle of strengthening economic management discipline and enhancing economic effectiveness.

In his New Year address the great leader Comrade Kim Il-song taught: In particular, administrative economic functionaries, by strengthening their role economic management, should establish a strict system and order; strengthen planning discipline, labor administrative discipline, and production discipline; give priority to technological development; increase economic effectiveness; and improve quality of products. Under this principle, they should plan and supervise economic organizational work.

The policy which the great leader set forth in his New Year address with regard to properly carrying out economic organizational work on the basis of strengthening management discipline, giving priority to technological development, and improving economic effectiveness and quality is the correct guideline presented based on the scientific analysis not only of the cardinal task of this year's economic construction, but also the realistic demands of the developing economy of our country. As elucidated by the great leader in his New Year address, the main task in this year's economic construction is to regulate production at a high level by firmly giving priority to the main sectors of the national economy and by effectively utilizing the existing economic foundation and, in this way, to further promote the people's living in conformity with the demands of socialism.

To regulate production at a high level and, thus, to further promote the people's living by effectively utilizing the existing economic foundation, it is imperative to further plan and supervise economic organizational work based on scientific calculation so as to promote economic effectiveness. The economic potential that our national economy has achieved is indeed inexhaustible. The problem is how to most effectively mobilize and utilize the potential so as to regulate production at a high level. To successfully solve this task, it is imperative for all functionaries to thoroughly implement the party's intent to plan and supervise economic organizational work based on scientific calculation.

The dear Comrade Kim Chong-il, frequently indicating the need to carry out enterprise management in a more scientific manner, has stressed that all economic guidance functionaries, including managers of plants and enterprises, should strictly calculate economic and technological indexes, including the cost price and norm of consumption of materials, and should effectively utilize material and technological means, labor, and funds to the maximum. The dear Comrade Kim Chong-il's teaching is a valuable guideline to make management activity scientific in conformity with the demands of the Taean work system and to achieve success in the struggle for production increase and conservation.

Our economic guidance functionaries carry out their management activities with numerous material and technological means and labor from the party and the state to see to it that our people receive more shares of benefits. Economic guidance functionaries should ensure production and construction with minimum expenditures. To that end, economic guidance functionaries should assiduously calculate expenditures and results, using their brains. Without strict and scientific calculation, they cannot achieve the maximum successes that they could even though they may show more production and construction. Thus, they cannot contribute to promoting the people's welfare. The firm guarantee which makes it possible to successfully implement the party's economic policy by ensuring the highest level of economc effectiveness lies in making management activities scientific on the basis of strict economic calculation as well as enhancing the masses' revolutionary zeal.

It is an indispensable requirement for economic guidance functionaries to properly carry out their economic organizational work based on scientific calculation in order to mobilize reserves for the maximum production increase and conservation. Production increase and conservation is the work to achieve the highest level of production success with minimum expenditure by mobilizing all available reserves and potentials. These reserves and potentials can be found and mobilized only through strict scientific calculation. Today when the size of the economy has become larger and management and operation business has become more complicated, the significance of scientific calculation in mobilizing inner reserves has become greater.

Scientific calculation is the work of analyzing and examining how much social labor has been used and how much production success has been achieved in creating material assets. Only when economic effectiveness is increased can the people's living be promoted and expanded reproduction be ensured. What is important in properly carrying out economic organizational work on the basis of scientific calculation is to set forth correct plans and to strengthen calculation, statistics, and analysis work. Planning, calculation, and statistics are closely relationed and serve economic management and operation. In particular, they help greatly in identifying reserves. From the viewpoint of finding and mobilizing reserves, planning reflects the goal and size of reserve mobilization based on the results of scientific calculation, and calculation and statistics are the means of scientific calculation.

Without accurate calculation and statistics, scientific calculation for mobilizing reserves cannot be carried out, nor can planning work be correctly carried out. One of the important problems in properly carrying out economic organizational work based on scientific calculation is to actively establish plans on the basis of fully mobilizing the masses' revolutionary zeal and the existing production potentials and reserves. Economic guidance functionaries should do away with particulars and establish most correct plans by using all available reserves and potentials. Only by doing so can they do away with waste and enhance economic effectiveness in all sectors of the national economy.

Our party demands that even when they establish a production plan the economic guidance functionaries establish the plan after thoroughly calculating production capability and keeping in mind ways for production increases and conservation and minimizing the waste of facilities. Along with this, when they establish labor plans and material supply plans economic guidance functionaries should also think of ways of maximim conservation of labor, raw materials, and electricity. What is important in this is to strictly observe scientific standards. Technological and economic standards, including norms of material consumption, are the basis for scientific planning, the means of statistics of consumption of materials, and the criteria to assess the level of the conservation of production elements.

Scientifically deciding the basic data which is necessary for planning at plants and enterprises, such as normal capacity, rated labor capacity, and standard of material consumption per unit of product and constantly improving and rectifying the data in conformity with the demands of the developing reality is an important factor in improving and rectifying planning work and in finding and mobilizing the reserves for production and conservation.

It is important to correctly utilize economic leverage in maximum mobilization of the reserves for production increase and conservation by carrying out economic organizational work in a scientific manner. The strict calculation of the process of management activity and its result and the material incentive and control of the reasonable use of social labor constitute an effective means and method for carrying out management activity based on scientific calculation and for mobilizing and utilizing the reserves for production increase and conservation. What is particularly important in properly carrying out economic organizational work based on scientific calculation is for all economic guidance functionaries to correctly utilize cost leverage.

Only when economic guidance functionaries calculate in detail all expenses appropriated to production can they carry out the demands of independent economic accounting system, grasp the benefits of enterprises, and correctly assess the results of their management activities. What is important in utilizing cost leverage is to correctly establish prime cost plans, to assign planned prime cost per unit of product and prime cost-down plans to the masses, and, thus, make the struggle for conservation the masses's routine business. Enterprises should find reserves for conservation on the basis of the detailed analysis of [word indistinct] prime cost data and technological and economic standard data by cost [word indistinct] and by (?index) and should correctly establish cost per unit.

It is important that all functionaries carry out management activities by always calculating the cost price. To this end, they should establish a scientific cost calculating system and concretely grasp a routine process by which actual prices are set. They should also work out technical preparatory steps for and should direct attention to the issue of carrying out major management and financial activities, including the process of organizing and commanding production and the process of financial summing up and of operating enterprises and financial inspection committee, in combination with the issue of cost price.

In his New Year address this year, the great leader Comrade Kim Il-song put forward the issue of giving priority to technological development as an important principled issue in economic organizational work.

Today when science and technology are developing speedily, one should pay great attention to correctly mobilizing and utilizing the reserves through scientific and technological development in economic organizational work.

By properly calculating the demand for chuche-orientation, modernizing and scientizing the national economy and the trend of most modern scientific and technological development, one should establish technological and economic measures in a reasonable manner so as to equally improve the quantitative and qualitative index of production. One should properly carry out the organization and demands of production. Thus, one can mobilize the reserves for production increase so that one can successfully resolve the issue of normalizing production.

It is an important policy put forward by our party to provide our people with a more abundant material life based on scientific calculation and through production increase and conservation. In order to carry out this task, all economic functionaries and workers should regard the economic calculation as their normal routine. Those functionaries, who make strenuous efforts to give help to the nation, even a little, by meticulously conducting calculation, can be called functionaries who uphold the party's slogan for production increase and conservation.

In order to successfully implement this year's economic tasks by properly carrying out the economic organizational work, all economic guidance functionaries should give full play to lofty revolutionary spirit and vitality.

The great leader Comrade Kim Il-song warmly taught that it is an experience in the long revolutionary struggle that only when one gives full play to the lofty revolutionary spirit and vitality, can one win.

Cherishing the belief that if their revolutionary spirit and vitality are not strong, they would face death, commanders of the anti-Japanese guerrilla units organized and commanded all works by giving full play to an inconceivably lofty revolutionary spirit and vitality. Thus, they were able to win even under the worst circumstances.

All functionaries should give full play to lofty revolutionary spirit and vitality in economic organizational work by following such a traditional outlook. This is a firm guarantee for successful accomplishment of enormous militant tasks facing us this year.

Only when one carries out economic organizational work with lofty revolutionary spirit and vitality, can one discover and mobilize more reserves and effect a new innovation and upsurge in the economic construction.

If one's revolutionary spirit and vitality are not strong, one cannot work out any correct measures for mobilizing reserves, even if one has great reserves, and can one not achieve the deserved results.

In order for functionaries to carry out economic organizational work in a revolutionary and scientific manner with lofty revolutionary spirit and vitality, they should deeply study the teachings taught by the great leader in his New Year address and on many other occasions on persistently waging the struggle to accomplish the party's policy by giving full play to lofty revolutionary spirit. They should thoroughly embody these teachings.

Children's Extramural Activities Described

SK2101105591 Pyongyang KCNA in English 1017 GMT 21 Jan 91

[Text] Pyongyang January 21 (KCNA)—Korean school children now in their winter vacation are briskly conducting extramural activities.

These revolutionary battle sites and historical sites in all provinces are booming with excursion teams of school children who are on a joyous vacation. At the end of visits, they meet to give their impressions and make public their compositions.

Brisk propaganda and agitation and art circle performance of children inspiring working people's achievements can be seen in grand socialist construction sites including the Sariwon potassic fertilizer complex and the October 9 general steel works and in rural and fishing villages.

Skating, sledging and top spinning of school children are in full swing at large and small ice rinks built in different parts of the country.

Peculiar skating contests organized by schools in Yanggang and North Hamgyong Provinces, Pyongyang Municipality and other areas are drawing attention of pupils.

The campaign for helping with sincerity the families of People's Army servicemen, the bereaved families and disabled soldiers is brisk among the children during the vacation.

Colorful circle activities of school children are becoming animated. They prepare themselves to be scientists, good instrumentalists and sportsmen of the future, applying their learnings to practice in circle rooms arranged in schools.

More than 60 school children's palaces and houses across the country are becoming a living stage of the children on a vacation.

In Korea which regards the future of the country as belonging to children, the state and society take charge of even the extramural education of school children.

The state fully supplies trucks, tractors, uptodate electronic and automation devices, all kinds of machine tools, modern astronomical instruments, different kinds of musical instruments and sports apparatuses needed for the extramural education of the children.

Today the children are growing to be talented boys and girls well prepared mentally, morally and physically, receiving the state and social benefits.

South Korea

'Good' Seoul-Baghdad Relations Still Possible

SK2901083391 Seoul YONHAP in English 0814 GMT 29 Jan 91

[Text] Seoul, Jan. 29 (YONHAP)—Iraq and South Korea maintain good relations, though there is a little discomfort over Seoul's dispatch of military medics to help Baghdad's enemies, Korean Ambassador to Iraq Choe Pong-num said Tuesday.

The outbreak of the Gulf war has not brought a significant change to the basic relations between South Korea and Iraq, he said on arrival at Kimpo International Airport from Germany. "Iraq seems to be trying not to be hostile toward any nation but the United States and the United Kingdom," Choe said.

Choe left Baghdad on Jan. 14, one day before the deadline set by the U.N. Security Council for Iraq to pull out of Kuwait or be removed, and has been staying with the Korean consul-general in Franfurt.

Korean-Iraqi relations would not deteriorate even if Korea sends additional help to the allies fighting to liberate Kuwait, he said. "I don't think that there will arise any controversy if the Korean Government makes its position clear," Choe said.

Development projects undertaken by Korean companies in Iraq amount to 6.2 billion U.S. dollars since consular relations were set up in 1981, but considerable amount of the money has not yet been paid. "The Iraqi authorities showed a friendly and helpful attitude toward evacuation of Korean workers from Iraq," he said.

Additional Army Units, Money for Gulf Considered

SK2901090291 Seoul CHOSON ILBO in Korean 29 Jan 91 p 1

[Text] The government, based on its assessment of the situation that the progress of the Gulf war will compel the ROK to bear more a burden, has worked out a plan to dispatch additional noncombatant troops such areas as decontamination personnel of the army chemical warfare unit and the army medical unit and to bear an additional $130 million as its share of the war cost, it was learned on 28 January.

It has also been revealed that the government is positively considering supplying the coalition forces with ammunition, as part of its materials assistance and leasing military planes to them as part of its transport assistance. The government is also reported to be considering the dispatch of an army engineering unit for the rehabilitation of the rear area damaged by shelling.

The government is expected to announce this assistance plan before the official U.S. request for it, if any, thereby making clear our support for the settlement of the war, and to dispatch a high-ranking government official to the United States as a special envoy soon to explain our position at the forthcoming "meeting of the countries providing economic aid for the Gulf war" to be held in Washington on 5 February and to discuss a joint cooperation plan with the figures of the U.S. Government and Congress.

A high-ranking government source has said: The U.S. side has recently sent an unofficial feeler, through diplomatic channel, to find out whether we are willing to make additional contributions. The government has a general opinion that it is necessary for us to make appropriate contributions commensurate with our national strength to secure our proper position in our relations with our allies and to secure the supply of crude oil after the war.

The source said that once this policy is finalized, the government will soon submit a bill to the National Assembly for the dispatch of the chemical warfare personnel, etc.

The source said, in connection with the additional dispatch of army troops: The chemical warfare personnel will be deployed to the rear flanks of Saudi Arabia and they will carry out the work of decontaminating the damage caused by chemical weapons. The additional medical unit to be dispatched will be deployed to U.S. field hospitals to assist in treating wounded U.S. soldiers.

In connection with the economic assistance, the source said: In our negotiations regarding economic assistance with the United States last September, the government settled the score at $220 million while the U.S. side asked for $350 million. The government, therefore, is considering sharing the $130 million we reduced in that negotiation.

Air Force Planes Return From Gulf Deployment

SK2901074291 Seoul YONHAP in English 0701 GMT 29 Jan 91

[Text] Seoul, Jan. 29 (OANA-YONHAP)—Two South Korean Air Force transports returned to Seoul Tuesday afternoon from flying a medical team to Saudi Arabia last week.

The C-130 Hercules left Korea Jan. 23 for Karachi, where they met with the 134 members of the main group of the medical team and flew them to Dhahran, Saudi Arabia. The medical team was sent to support the multinational coalition in the Gulf war. The military transports flew back via Pakistan, Bangkok and the Philippines.

Ambassador Sokolov Regrets Maslyukov's Remarks

SK2701121591 Seoul SEOUL SINMUN in Korean 24 Jan 91 p 2

[Text] In connection with the recent bloodshed that took place in Latvia in the Soviet Baltic Republics, the government expressed its stance to the USSR on 23 January that the Latvian situation should be solved peacefully through dialogue and compromise between the USSR and the republics.

First Assistant Foreign Minister Yi Chong-pin summoned Soviet Ambassador Oleg Sokolov to the ROK Ministry of Foreign Affairs in the afternoon of 23 January and expressed his concern and worries over the situation in the Baltic Republics. In addition, he said that it is an internal affair of the Soviet Union basically, but, now, it has been become the focus of world interest. Foreign Ministry Spokesman Chong Ui-yong said that Assistant Foreign Minister Yi had conveyed the government's stance to the USSR.

Following this, Assistant Foreign Minister Yi, in connection with Deputy Prime Minister Maslyukov's remarks on a Soviet plan to continue supplying weapons to North Korea, had asked the Soviet Government to express its stance. Ambassador Sokolov said that he regrets this and also said Maslyukov's intention was unwillingly misinterpreted in the course of emphasizing the Soviet Government's stance that it will not supply offensive weapons to North Korea.

Daily Regrets Soviet Action in Baltics

SK2501014591 Seoul THE KOREA HERALD in English 25 Jan 91 p 8

[Editorial: "Unrest in the Soviet Union"]

[Text] Belatedly, the Seoul government has officially expressed its concern over the mounting tensions in the Baltic republics of the Soviet Union. This concern was conveyed to the Soviet ambassador here, Oleg Sokolov, who was summoned to the Foreign Ministry Wednesday.

It was natural that the Seoul government should express its sense of regret and worry regarding the Soviet Army's brutal suppression of the separatists movements in the Baltic states.

Earlier this week four people were killed by Soviet police in Latvia, preceded a week before by the deaths of 14 persons in a military assault in Lithuania. Most people in Lithuania, Latvia and Estonia regard the Soviet military as an occupying army, seeking to restrict their actions. They had resolved to seek either outright secession from the Soviet Union or greater autonomy for their ethnic and cultural identity.

Soviet President Mikhail Gorbachev said the rebel Baltic republics were the root cause of recent bloodshed, but promised an investigation into the use of weapons by the army and police against unarmed protesting civilians.

We believe that the grievances of the Baltic republics, which were absorbed into the Soviet Union in 1940 under a secret arrangement with the Nazi Germany, should be rectified with maximum regard for their political, ethnic and cultural backgrounds.

The world has been distressed by the hard-line action taken by Moscow in its bloody clampdowns on the popular protests, seemingly timed to take advantage of the international preoccupation with the war in the Gulf. The Soviet actions cast serious shadows on its professed liberalization and reform programs.

Glasnost and perestroika, no doubt, pursue the goal of improving human rights and liberties of the peoples of the Soviet Union and reforming the political and economic institutions of the country. The militancy of the Kremlin toward the Baltic republics goes against that trend.

In connection with this, remarks reportedly made by the visiting Soviet Deputy Prime Minister Yuriy Maslyukov on a Soviet plan to continue supplying "defensive" weapons to North Korea created quite a stir. The statement was untimely and out of place. The Soviet Union must refrain from misleading acts and utterances redolent of the aggressiveness or rigidity for which it had been known until recently.

Maritime Agreement With USSR Planned for Feb

SK2601004591 Seoul THE KOREA HERALD in English 26 Jan 91 p 3

[Text] Korea plans to conclude a maritime agreement with the Soviet Union next month, the Korea Maritime and Port Administration [KMPA] said.

Conclusion of the agreement is expected to coincide with the opening of a direct containership service between the two nations, An Sang-yong, head of the KMPA, said in a report to Transportation Minister Yim In-taek Wednesday about the agency's major projects this year.

Korean ships will begin shipping Siberian logs to Korea in the second half of this year, An also reported to the transportation minister.

The maritime agency chief told Yim that his agency plans to consolidate maritime cooperation with the Soviet Union this year to match fast progress in economic cooperation between the two nations. Shipping volume between Korea and the Soviet Union is forecast to sharply rise in coming years as the two nations seek to expand trade. Major Korean shipping firms are competing to win the right to operate on the Korea-USSR routes.

An reported to Yim that his administration plans to expand shipping services to China, Korea's biggest Communist trading partner, this year. A direct containership service between Pusan and Shanghai will open in the first half of this year, An said. And a car ferry service will start operation between Inchon and Tianjin in the latter half of this year, the KMPA head said.

Expansion of the shipping service is seen by many as one of the most visible signs of fast-improving relations between Korea and the socialist giants. Korea has made highly successful efforts in recent years to improve relations with East-bloc nations, particularly China and the Soviet Union.

The car ferry service between Inchon and Tianjin will be operated by a joint venture between Korea's Cosmo Tiger Corp. and China's Tianjin Ocean Shipping Co. The joint venture is expected to be formed in Hong Kong in early February, the Korean company official said recently. Cosmos officials said that they expected the Chinese government to approve the car ferry service by early February.

Besides the Soviet Union, An said, his agency plans to sign maritime cooperation agreements with such East European nations as Czechoslovakia and Hungary at an early date. Meanwhile, the government will make greater efforts to reduce friction with Western allies such as the United States and European countries in maritime matters, the KMPA head reported to the transportation minister.

The government plans to hold regular consultation sessions with the countries to help them "better understand Korea's position and thus prevent unnecessary misunderstanding and friction," he said.

Korea will also strengthen maritime cooperation with Asian and Pacific countries, including Japan and Taiwan, this year and seek to form a joint front with these nations against pressure from the United States and European nations to open markets, he said.

An predicted that Korea's friction with Western countries in the maritime business will grow as Korea emerges as a global shipping giant. In anticipation of exploding trade with East-bloc nations, An said, his agency will step up projects to expand the eastern port of Tonghae and western port of Kusan. The KMPA chief also reported to Yim that his agency is considering allowing ethnic Koreans in China to work on Korean-flagged ships.

U.S. Envoy's Remarks on Anticonsumerism Decried

SK2901083591 Seoul HANGYORE SINMUN in Korean 22 Jan 91 p 7

[Article by Chong Un-yong, editorial staff, from the "Observatory" column: "Sympathy for Shylock"]

[Text]**Prologue**

In telephone conversations with a lawyer and a professor of law, I asked, quite seriously, if there is a way to save Shylock. They unanimously said there is no legal way of saving Shylock who is determined to cut a pound of flesh from a living person as a contract that runs counter to good morals and manners and to social orders is invalid. In "The Story of Chunhyang in Law," the author, Chang Kyong-hak said that the Shylock case, although won in trial, was lost in practice. Nevertheless, I could not easily resign myself to the idea that there is no way of saving Shylock. This is because Portia's rather crafty ruling that Shylock could cut the flesh, but must do it without even a drop of blood, made the people feel sympathy mixed with criticism for Shylock.

Since I firmly believe that the social conscience during the reign of Elizabeth the First—an era during which not a single day went by without a plundering of the colonies—is not at all qualified to draw an indictment against the ethics of a Venetian banker who has brought capitalism to full flower and since I found the sense of justice on the part of the judge—who regarded heathens who wanted to force blood from Christians as a worse than someone trying to cut flesh from a living person—no more merciful than the crime that was committed by the defendant; I have never liked this drama with its occupational, religious, and racial prejudices. The reason I have taken it upon myself to redress Shylock's grievance from the outset of the new year is because of the preposterous logic of a country that says we can restrict our excessive consumerism, but we should not restrict the importation of foreign goods reminded me of the judge who ruled that the human flesh could be cut, but there should be no bleeding in the process.

Act I

In a speech delivered at a meeting of the Korea Diplomatic Council following the conclusion of the ROK-U.S. working trade talks held last November, during which the United States unilaterally launched an offensive against us in a manner of declaring a war on us, U.S. Ambassador to Korea Donald Gregg said that "the United States does not oppose the Korean people's movement against excessive consumerism and it is not something we can interfere in." After his reasonable opening remark, however, he immediately confused our ability of judgment by his totally unreasonable statement that "importation should not be made the target of discrimination and the promotion of frugality does not need to impose restrictions on access to the market." Is this possible in action as well as words? We would like the Ambassador to tell us how, if he has a miraculous recipe, we can leave the importation of luxury goods to take its course while stressing the need to curb consumption and how we can launch a frugality campaign while encouraging the people to consume foreign goods. Only when he is so frank and honest as to urge us "to keep importing foreign goods instead of restricting excessive consumerism" or "excessive consumerism should not be discouraged in order to encourage the importation of foreign goods" will he be qualified to admonish Shylock. For example, if the United States finds it inevitable to curb the consumption of liquor and cigarettes due to growing trade deficits, there is no doubt that such things as Havana cigars and Reims [as transliterated] cognac will be put on the top of the list of goods who's consumption should be discouraged. This is not discrimination, but the natural order and it should be applied in Korea, too.

Act II

When toward the end of last year the U.S. daily, WALL STREET JOURNAL, opened fire on the Korean side over its attitude toward trade feuds with quite an emotive headline "Detroit Can Hire Garfield [the naughty cat appearing in cartoons] To Let the Air Out of Tires on Hyundai Automobiles," apparently with a comic book published by the Korean Agricultural Cooperatives in mind, THE NEW YORK TIMES and THE WASHINGTON TIMES and other major U.S. dailies unanimously joined the attack. The denunciation of Korea in U.S. media does not sound as pure as it is meant to since it was timed to coincide with Ambassador Gregg's complaints that the Korean news organizations front-paged U.S. "interference" in the internal affairs of Korea where market-opening was concerned.

Act III

It is said that President Bush sent his personal letter to President No through a ROK envoy. Of course, the content of the letter arrested our concern. Seeing the process of the recent negotiations with the United States in which our side has been reduced to leaves blowing in the autumn wind, it is not difficult to guess that the content of the letter was a strongly-worded one.

Act IV

In a television interview at the end of last year U.S. Trade Representative Carla Hills urged the ROK to immediately stop import restrictions on luxury goods and advanced a kind of logic which is nonexistent in textbooks by saying that "no matter what the domestic economic situation may be, opening markets in itself is a good policy." After that, before leaving the United States to attend the ninth ROK-U.S. economic consultative meeting held in Seoul on 14 and 15 January, Deputy U.S. Trade Representative (Sandra Kristoffa) childishly warned the ROK, saying that if the Uruguay Round negotiations which will be resumed in the future ends in failure again the ROK will have to pay "a tremendous price" for it. The rupture of the last Uruguay Round negotiations was caused by the conflict of interest between the United States and the EC concerning the issue of the production and trade of agricultural products. This is already a known fact. This notwithstanding, why should the ROK experience retaliation for the rupture of the negotiations? The ROK is not a cheering squad for the United States in dealing with international issues.

Epilogue

Anyhow, the ROK has been robbed of all it had according to such a complicated scenario. It is said that in the next Uruguay round negotiations the ROK will voluntarily withdraw its protracted demands for the recognition of the non-tariff concerns on 15 agricultural products and for the prolongation of the legal delay of subsidy reduction and plan to beg for the establishment of an exception only for rice and barley in terms of food security. It is also said that the governmnent has promised to open domestic service markets, which amount to 21 trillion won, that is to say, 13 percent of the gross national product, by the middle of the nineties. Thus, the ROK has promised to give the shirt off its back. This is indeed fearful and dreadful.

Regarding the misfortune of the minister of trade and industry who was the only economic minister who was fired in the last Cabinet reshuffle, it was speculated that his dismissal was due to the "expression of regret" by the United States. The current reshuffles of first vice trade and industry minister and trade negotiator, as well, were an action to "show sincerity" to the U.S. side. His dismissal was probably not because he was less obedient to [the United States] but because he was not more obedient to the [United States].

The saying about opening a closed door by loudly pounding on it has amazingly proven its worth. Reports have it that there were loud complaints among government organs about the false accusation that the failure of the Uruguay Round negotiation meeting which closed in Brussels last December was because the ROK delegates to the meeting opposed a proposal put forward by the United States in its first-day session. In a Cabinet meeting, to cleanse himself of the false accusation, the minister of agriculture and fisheries was reported that he tried defending himself in an excited manner, claiming that he had nothing to do with it. The deputy prime minister, as well, reportedly tried to cool down the excited atmosphere of the meeting by saying that "we are all one family." Hearing such a report we cannot but feel sympathy for them, rather than feeling indignation.

If there are government officials who think even the slightest thing about national interests, they should have said in a dignified manner "Yes, I opposed the U.S. proposal." Nevertheless, they tried to shirk responsibility with a blush, saying "No I did not oppose it." Indeed, the country is in a shameful state. However, if they weren't careful, they would be fired en masse, so how could they displease the United States? How could they lose their hard-won distinguished posts simply by staging a "patriotic display?" No one, except a truly couragous regime which can attach a plaster cast—which is tougher and more durable than iron chain—to the necks of those ministers who are firm in their convictions for the interests of the people, can block their restaging of such a sad comedy.

Prosecutors Seek Arrest Warrants for Legislators

SK2601044491 Seoul YONHAP in English 0238 GMT 26 Jan 91

[Text] Seoul, Jan. 26 (YONHAP)—The Seoul district prosecutor's office will seek arrest warrants shortly for three lawmakers on bribery charges for taking an overseas trip sponsored by two economic associations, prosecution sources said Saturday.

The prosecution, following all-night grilling of the trio, concluded that acceptance of such an enormous favor from the two business organizations constituted bribery. When the lawmakers are charged with taking bribes, the officials at the Korea Automobile Manufacturers Association [KAMA] who gave them the money will also be charged, the sources said.

Rep. Yi Chae-kun, chairman of the National Assembly Trade and Industry Committee, and committee members Rep. Yi Ton-man and Rep. Pak Chin-ku have admitted that their trip to North America was financed by KAMA and the Korea Foreign Trade Association [KFTA]. The three denied that the money, put at more than 77,000 U.S. dollars by the prosecution, was to buy their influence. They argued that acceptance of money was in line with established practice and was taken for granted by lawmakers.

The sources said KFTA would not be charged with bribery as its contribution of 20,000 dollars was paid openly from a special fund set up in 1988, but KAMA is believed to have paid the money to influence the lawmakers. "No government official charged with taking such a huge bribe has been left unarrested. Public opinion also calls for stern punishment," a prosecutor said.

The sources said no legal action was being considered for other members of the committee who took overseas trips paid for by KFTA and kept the change.

The Yis, members of the Party for Peace and Democracy, and Pak, of the ruling Democratic Liberal Party, appeared at the Seoul District Prosecutor's Office in Socho-tong, southern Seoul, at 5 p.m. Friday. The Yis were accompanied by attorneys, but Pak was alone.

Yi Chae-kun was freed late Saturday morning after 18 hours of grilling by Senior Prosecutor Yi Chong-chan, chief of No. 3 special division. The other Yi was questioned by Prosecutor Yi Hon-kyu and Pak by Prosecutor Yi Kon-chong.

The questions focused on whether they had been influenced by KAMA in dealing with legislation on automobile tax and control of car emissions or had benefitted KFTA.

Even if the prosecution files arrest writs and the court accepts them, they cannot be formally arrested without approval of the National Assembly as the assembly is now in session. The prosecution hopes to settle the case by early next week, after making the arrests with an Assembly approval.

Scandals Heighten Public Distrust

SK2701014691 Seoul THE KOREA HERALD in English 27 Jan 91 p 2

[From the "News Analysis" column by staff reporter Kang Song- chol]

[Text] Two bribery scandals involving lawmakers and college teachers are serving as a vivid reminder of deep-rooted corruption in Korean society.

People were shocked at the news of the incidents last week. Reflecting public mood, the news replaced the Gulf war as the most important news.

The incidents were particularly embarrassing as they took place during a nationwide austerity campaign. Many ordinary citizens expressed their dismay after hearing that legislators and college teachers had taken hundreds of millions of won for doing virtually nothing.

The bribery cases have heightened public distrust of politicians and other leading figures in society.

The public distrust is so deep that few people seem to believe that the ongoing prosecution's investigation will satisfactorily address the problem.

Public doubt is particularly remarkable in the case of the three lawmakers said to have made pleasure trips abroad with money provided by business organizations.

The doubt is not unfounded. Similar cases in the past started off with a bang and ended with a whimper out of political consideration.

The public suspicion was augmented when Justice Minister Yi Chong-nam told a full National Assembly session last week that the prosecution's investigation would be limited to the three lawmakers.

Many people believe that the latest case is only a tiny example of widespread corruption in political circles.

Some vocal critics are demanding that the investigation be extended to cover scores of other lawmakers who have made overseas tours during the past couple of months.

The public may have been more disgusted with the attitude of the lawmakers than with the bribery case itself.

Rep. Yi Chae-kun, an opposition lawmaker and chairman of the Assembly Commerce-Industry Committee, one of the three under investigation, tried to defend himself by arguing that accepting money is a generally consented practice. He also made remarks indicating that he could not understand all the "furor" over his foreign travel.

His remarks and attitude may indicate that receiving money from lobbyists and interest groups is an established practice among lawmakers, observers said.

The practice of receiving money bordering on bribery seems to be omnipresent in society.

As a local daily, HANGYORE SINMUN, has pointed out, the practice of exchanging money or gifts in the name of "a token of goodwill" is widespread in officialdom, the press, political circles and other sectors of society.

Educational circles are not immune to the illicit practice. The college teachers arrested this time, mostly music instructors, are charged with plotting to ensure successful entry of their students to the music department of a prestigious university in return for an enormous amount of money.

Many parents are also deploring the practice of teachers at elementary, middle and high schools receiving "goodwill money."

The current bribery scandal of the lawmakers will be a test case in proving whether the government and all political circles are genuinely willing to eradicate corruption.

President No Tae-u is said to have ordered stern action against the lawmakers involved. The prosecution has also said that it will seek arrest warrants for them.

But many ruling and opposition lawmakers seem reluctant to support the move to jail the three lawmakers.

This attitude has spawned suspicion that they too have something to worry about as far as investigation of corruption is concerned.

Scandal Seen as 'Litmus Test'

SK2701014791 Seoul THE KOREA HERALD in English 27 Jan 91 p 3

[From the "News Analysis" column by staff reporter Hwang Tu- hyong]

[Text] The coming judiciary action against three lawmakers who were treated by two local organizations to an extravagant overseas junket will become the litmus test of how insulated the judiciary branch is from "the political wind."

At the same time, it will also put to the test the will of President No Tae-u and other ruling party leaders to keep political neutrality in the judiciary branch. Yet the case is so complicated that any judiciary decision is certain to draw strong criticism.

If arrest warrants are issued against the lawmakers, it is certain to cool the mood of rapproachement between the ruling Democratic Liberal Party [DLP] leadership and the main opposition Party for Peace and Democracy [PPD]. Two of the three lawmakers implicated in the scandal are PPD lawmakers. They are Yi Chae-kun and Yi Ton-man. The other lawmaker is Rep. Pak Chin-ku of the ruling party.

So far the main opposition party is keeping silent over the matter, apparently hoping that the case will be smoothly settled from "political consideration." But some PPD lawmakers hinted that they will not be silent if their colleagues were put behind bars, claiming that the investigation appears to be part of the ruling party's "plot to defame the party" ahead of the country's first local elections in nearly 30 years.

It is still premature to predict how the PPD will react if their two lawmakers are arrested for "bribe-taking." But general expectation is that the main opposition party will not directly respond for fear that such a direct response will aggravate already strong sentiment against the party in the wake of the scandal. But it will certainly try to retaliate in some way or try to display its displeasure against the ruling party leadership by means such as refusing to cooperate with the ruling party at the National Assembly.

Yet such a high political risk in bringing the three lawmakers to justice might be sweetly compensated by other returns. Both the judiciary branch and No will receive rare popular praise for their "courage" in taking such a risk.

It will also help No mend his image as a "weak state leader." At the same time, it will allow the judiciary branch to shed its old, shameful reputation as the "puppet" of the administrative branch.

If the judiciary branch decides on the case otherwise, it will draw stormy criticism and create popular confusion.

Such a decision not to arrest the lawmakers despite the mountains of evidence against them will run counter to the plain principle that, "All men are equal before the law," legal experts said. It will certainly add to the popular mistrust of the state leadership and the judiciary branch.

In making any decision on the case, experts say, the judiciary branch should pay heed to the public outcry, "The law is no longer equally enforced against everyone."

Any decision not to put the lawmakers behind bars, will create severe internal dispute within the judiciary branch.

A concensus among the prosecutors who interrogated the lawmakers Friday through yesterday morning was that the politicians should be charged for bribetaking and be arrested immediately. The prosecutors' stance appears to mirror exactly popular sentiment against the politicians.

The lawmakers' bribery tour scandal was the hottest national topic last week with almost everyone calling for stern legal action against them. The prosecution's decision to seek court arrest against the lawmakers seems to have been prompted by such popular feeling. Such popular opinion has left little room for the prosecution to treat the lawmakers leniently had it wanted to do so, legal experts said. The local news media has played a major role in fueling popular sentiment.

Local news media, some legal experts said, seemed to have induced the prosecution to take a hard-line stance in covering the story front page almost every day.

In view of general developments, the lawmakers are almost certain to be arrested, becoming the first lawmakers to face arrest for making overseas trips related to their parliamentary activities financed by local organizations.

Heightening such a possibility is the unconfirmed report that No is also outraged at the lawmakers' junket.

If the report is true, there is little chance left for any political consideration in the case.

The prosecution plans to speed up legal action against the three lawmakers to put to rest the controversy over the case as soon as possible.

Source said that the prosecution will request parliamentary consent to arrest the three lawmakers upon receiving court approval for their arrest, probably as early as Monday or Tuesday.

The parliamentary vote on the fate of the three lawmakers will herald a time of frustration and self-repentance for many of their colleagues as it has been a widely-accepted practice for lawmakers to be treated to such an overseas trip.

Many of the lawmakers may now be saying, "I am so lucky that I was not implicated in this case."

DLP Lawmaker Quits Over Scandal

SK2701013691 Seoul THE KOREA HERALD in English 27 Jan 91 p 2

[Text] Rep. Pak Chin-ku of the ruling Democratic Liberal Party announced yesterday he would quit the party, holding himself responsible for the alleged bribery scandal. Pak is one of the three lawmakers now under investigation for making overseas tours with money illicitly provided by business organizations. He announced the decision to leave the party in a press conference.

In the meantime, the opposition Party for Peace and Democracy was said to be considering taking punitive steps against Reps. Yi Chae- kun and Yi Ton-man involved in the alleged bribe-taking. Yi Chae-kun was earlier deprived of the chairmanship of the National Assembly Commerce-Industry Committee.

DLP To Discuss Fate of Recalcitrant Lawmaker

SK2301095791 Seoul YONHAP in English 0803 GMT 23 Jan 91

[Text] Seoul, Jan. 23 (YONHAP) —The ruling Democratic Liberal Party (DLP) was to discuss the fate of Rep. Kwon Hun-song, who voted against a government-sponsored motion for the dispatch of a military medical team to the Gulf, in a meeting Wednesday. The DLP disciplinary committee was to hear Kwon explain his defiance and decide what disciplinary steps to take. As the price for honesty, Kwon could be expelled from the party if he says he acted out of his beliefs.

DLP's Kwon Hun-song Suspended

SK2901014991 Seoul THE KOREA HERALD in English 29 Jan 91 p 2

[Text] The ruling Democratic Liberal Party decided yesterday to suspend the party membership of Rep. Kwon Hun-song for three months, a party spokesman said. The party originally planned to expel Kwon, 32, who was elected to the National Assembly under the proportional representation system. Kwon voted against a motion approving the dispatch of a military medical unit to the Gulf, Jan. 21.

Ministers Address Assembly on Domestic Issues

SK2401035391 Seoul YONHAP in English 0141 GMT 24 Jan 91

[Text] Seoul, Jan. 24 (YONHAP)—Prime Minister No Chae-pong urged the National Assembly Wednesday to leave the National Security Law fundamentally intact as long as North Korea's strategy toward South Korea remains unchanged and its subversive activities continue.

"North Korea's strategy toward South Korea has not changed and anti-state activities continue. Under these circumstances, at least the basic frame of the National Security Law should be maintained," he said in reply to lawmakers' interpellation.

The law has long been the basis for punishing people who contact North Koreans or visit Communist countries without government permission, but the collapse of the cold war and the establishment of diplomatic relations with the Soviet Union last year sparked calls for its revision or abolition among the opposition and dissidents.

No predicted that North Korea would step up its propaganda attacks on South Korea for sending a military medical team to join the Western alliance against Iraq and sharing the cost of liberating Kuwait but would not, for that reason, cut off dialogue with South Korea.

The prime minister said the Gulf war would not delay the local elections scheduled for this spring and the government believed early elections were necessary to cool already heated electioneering.

Asked if the elections would be held simultaneously in all districts across the country or on two different dates, No said the government was undecided.

Taking the floor after No, Justice Minister Yi Chong-nam denied that his Ministry was considering an across-the-board amnesty for dissidents behind bars convicted under the National Security Law.

"We will do our best to be discreet in cases involving the National Security Law, respecting decisions of the constitutional court. Violators of the law will be freed only as a result of court rulings. We are not considering releasing them en bloc," he said.

With warming ties between South Korea and Communist countries, abolition or revision of the law has been much discussed along with amnesty for people convicted under the law.

Asked about a prosecution investigation of an overseas trip by three members of the National Assembly trade and industry committee, Yi said inquiries began after prosecutors received information that economic organizations had offered huge sums of money to prominent public figures.

He said the prosecution had confirmed that the Korea Foreign Trade Association and Korea Automobile Manufacturers Association had paid all the expenses of the three—Rep. Yi Chae-kun, chairman of the committee, Rep. Yi Ton-man and Rep. Pak Chin-ku.

Both Yis belong to the opposition Party for Peace and Democracy and Pak to the ruling Democratic Liberal Party.

The justice minister said the prosecution was not investigating other lawmakers and had no information that suggested it should. "We have no plans to inquire further," he said.

Deputy Premier-National Unification Minister Choe Ho-chung said the government welcomed contacts and exchanges between South and North Korean businessmen, but "within the legal limits."

"The government has received no application to visit North Korea from Daewoo group Chairman Kim Wu-chung nor has it given him permission to go. The government welcomes businessmen's exchanges and cooperation with North Korea, but they should meet all the conditions prescribed by the law and should follow legal procedures," Choe said.

Information Minister Choe Chang-yun said he had no plan to reserve government permission to set up Seoul Broadcasting System until a horde of lawsuits over the ownership of news institutions were settled.

"When it comes to the lawsuits, the government will follow the decisions of the judiciary," he said. A large number of newspapers and radio and television companies were closed or forced to give their shares to the government and the state-run Korea Broadcasting System in 1980 by then Gen. Chon Tu-hwan as part of a "social purification" drive.

Many former owners are suing the government for the return of their equity shares, contending that they were forced to renounce their assets under duress.

The government gave the licence to set up a private commercial radio and television station to little-known Taeyong Corp., a construction company, in October last year, triggering a heated debate over favoritism in the selection process.

Interpellation was to resume Thursday afternoon, focusing on unification, diplomacy and security matters, but Korea-Soviet economic cooperation and Gulf war developments are expected to take precedence.

EPB Management Plan for 1991 Economy

SK2701024091 Seoul THE KOREA HERALD (SUPPLEMENT) in English 27 Jan 91 p1

[Text] The management plan for the Korean economy in 1991 sets two key targets: strengthening industrial competitiveness and rising the domestic savings ratio. Besides the two objects, the Economic Planning Board [EPB] puts another emphasis on other fields, including international economic environments such as the Uruguay Round multilateral trade talks, and the continuance of fair trading practices at home.

A healthy budget operation, strengthened economy-related education for the public, and finalizing the seventh five-year socioeconomic development plan along with a stepped-up function of the newly set-up National Statistical Office are among the major projects for this year by the EPB.

A strong competitive edge is required by Korean manufacturers, via increased productivity and brisk R&D activities, and is essential to spur overseas shipments which have played a key role in the Korean economy over the past three decades.

Korea's exports saw a mere 4.8 percent growth last year, after a 5.2 percent setback in 1989, resulting in a $2 billion deficit in trade with foreign countries.

An increase in the domestic savings ratio is prerequisite to active investments. The ratio has slowed since it topped 38.1 percent in 1988—to 36.3 percent in 1989 and 35.5 percent last year, while the private consumption rate sped up—from 8.3 percent in 1987 to 9.8 percent in 1988 and 1989 each and further to 10.0 percent last year.

With the per capita GNP reaching $5,500 last year, the Korean economy will be at a crossroad this year. Can it survive the turbulent international environment or not? Can it continue healthy growth in years to come to join the ranks of advanced countries at the turn of the century? Its performance this year may provide the answers to these questions, local scholars and business managers say.

The Korean economy has been hit hard in recent years by higher wages and inflation rates as well as labor shortages in the manufacturing sector along with weakened international competitiveness and a consumption binge at home.

Among unfavorable factors facing the economy are the stalled Uruguay Round multilateral trade negotiations, which will deal a hard blow to local agricultural sector, and the ongoing Gulf crisis.

A series of expected increases in public utility charges scheduled for early this year will fan inflation psychology all the more at home and this year's wage negotiations between management and labor are expected to be tougher than ever before.

The average economic growth rate for advanced countries, according to the EPB, is projected at 2.1 percent on the average for this year, compared with last year's 2.5 percent, and the growth rate of world trade volume is expected to slow down to 5.9 percent from last year's 7.1 percent, both signaling a gloomy world economic outlook in 1991.

To ward off these bleak forecasts, the government has no choice but to strengthen competitiveness of the manufacturing industry. The nation's manufacturing sector has been sluggish since 1987 due to labor disturbances and high wage hikes. To shore up the dull manufacturing sector, the government has set aside 2,500 billion won to expand the social overhead capital this year, an increase of 35 percent from last year.

To relieve transportation difficulties, the government plans to raise additional funds early this year. The establishment of technical colleges will be encouraged to ensure a supply of manpower to the manufacturing sector. The issuance of debentures will be expanded from last year's 2,200 billion won to 4,350 billion won this year to help fuel facilities investments.

The government will aid companies by spending 650 billion won for factory and office automation. More preferential loans will be supplied to the manufacturing sector than the nonmanufacturing industries.

The government will start its monetary management on a quarterly basis, giving up the present yearly system. The quarterly analysis and projections will help implement the nation's monetary policies in a tighter manner.

The government will also build 450,000 to 500,000 housing units this year, increasing the housing supply ratio to 75.0-75.5 percent from last year's projected 74.5 percent. The ratio was 70.9 percent in 1989 when 462,000 units were constructed. To reduce construction costs, the government will widely introduce the precasting (P.C.) construction technique.

Considering the serious impact of high wage increases on the national economy, the government will continue to curb wage hikes to a single-digit level, which may touch off workers' protests. Tough taxational and financial control will be imposed on the nation's non-productive and consumption-creating service industry. To raise the domestic savings ratio, the government will introduce a tax-free time deposit savings system for wage earners starting early this year. The tax exemption will be applicable to a maximum of 300,000 won in monthly installments for three years or more. The new savings system will bear an annual interest of some 15 percent.

Seoul To Develop Nuclear Reactor Before 2000

SK2901022091 Seoul THE KOREA HERALD in English 29 Jan 91 p 2

[Text] Korea plans to develop an advanced type of atomic reactor without foreign aid by the turn of this century, Technology and Science Minister Kim Chin-hyon said yesterday.

In a report to President No Tae-u about his ministry's major projects this year, Kim said that his ministry will work out a mid- and long-term atomic energy development program by the first half of this year which will include domestic development of a nuclear reactor.

With self-reliance in the areas of atomic reactor and nuclear fuel, Minister Kim said in the report, Korea will be able to join the elite groups of the world's advanced countries in the nuclear energy field by early next century.

The planned next generation of Korea's nuclear reactor will be more fuel-efficient and safer than any existing model of reactor, Kim said.

Korea is now near totally depended on imports for its fast-growing nuclear power-generation capacity.

Atomic energy currently accounts for half of Korea's total electricity supply, and the portion is expected to increase further in coming years as Korea places increasing emphasis on nuclear energy to reduce its reliance on oil.

The Gulf crisis is expected to give a fresh impetus to Korea's ambitious plan to expand its nuclear power generation capacity.

Minister Kim also said that his agency will soon complete technology to use waste beat from atomic reactors for room heating in the areas adjacent to the power plants.

The ministry will provide extensive financial support to such high-tech areas as space and aviation, computers, bioengineering, petrochemical and marine science which Kim said will dominate the global market in the next century.

Kim reported to No that Korea should develop its own superior technology and goods which he said will monopolize the world market, to maintain its hard-won status as one of the world's top 10 trading powers.

He noted that Japan, with its superiority in VTR [video tape recorder] technology alone, has monopolized the world's $300 to 400 billion global VTR market. To meet the government's goal to raise the country's investment in technology research and development to the 5 percent level of its GNP [gross national product], Kim said, that his agency will study various ways to boost public and private investment in R&D.

The ministry will also place greater emphasis on expansion of technology cooperation with the Soviet Union this year, Kim said.

As part of this endeavor, the minister said, it will open a Korea-USSR scientific technology cooperation center at the Korea Institute of Science and Technology this year. The center, agreed upon by the two countries during No's visit to Moscow in December, will play a leading role in promotion of technology exchanges between the two nations.

The ministry will also propose to North Korea exchanges of scientists and joint research in such projects as ecological survey in the Antarctic area and in and around the Korea peninsula, Kim said. The ministry also plans to complete the project to expand the Taedok Science Town by 1992 to accommodate 60 more research institutes, he said.

The ministry envisions to combine the town with the science pavilion of the Taejon International Exhibition, now under construction, and make it the country's first science park.

*DLP, PPD Campaign 'To Recruit Outsiders'

912C0077 Seoul ILYO SINMUN in Korean
16 Dec 90 p 2

[Article by reporter Yi Sun-sam: "PPD [Party for Peace and Democracy] President's Hidden Intention Behind His Announcement About Forming a New, Panopposition Party in an Attempt To Cast Off His Party's Yoke as a Parochial Party; Yongnam Figures Are the Main Target of Recruiting Campaign"]

[Text] Will the PPD [Party for Peace and Democracy] be able to establish its image as a party capable of taking over the reins of government both in name and reality by transcending its limitations as a parochial party, its Achilles's heel?

Against the backdrop of the active moves being made on the part of the DLP [Democratic Liberal Party] and the Democratic Party to enlist outsiders in broad strata as their members for the purpose of consolidating their support bases, the PPD is actively reviving its old campaign to recruit outsiders as its members, which it originally launched last spring in preparation for the local assembly elections slated for next spring, the National Assembly election, the elections of local government heads scheduled for 1992, and the presidential election scheduled for early 1993.

During his 7 December news conference and in his speech to the 8 December national convention of the United Youth Association for Democracy (Yonchong), one of the PPD front organizations, PPD President Kim Tae-chung stated: "We plan to enlist middle-of-the-roaders from the Yongnam area into our fold en masse in order to organize next spring a party capable of taking over the reins of government, in which practically all opposition forces will be brought together. He made it clear that "if the name of the party should become an issue which hinders the achieving of opposition integration, we would be ready to bring down our PPD signboard." He added: "As soon as the current regular session of the National Assembly ends, we will announce a concrete program for opposition integration." He thus indicated that the idea of bringing personages outside the political establishment into an integrated opposition party has long been contemplated.

Concerning the prospective personages who will be recruited for high positions in the PPD, Kim Tae-chung said: "More than 20 persons who took part in the past negotiating process for an opposition merger between the PPD and the Democratic Party, including college professors and lawyers in their forties, have expressed their willingness to participate in the formation of a broad-based opposition party capable of taking over the reins of government."

At present PPD officials keep mum regarding the specific persons whom their party will try to recruit, rendering it difficult to speculate on their names. However, those whom the PPD is currently trying to enlist as party members, irrespective of whether or not they are willing to join, may be divided roughly into five groups.

The five groups are: the group of former nonparliamentary district chairmen of the defunct Reunification Democratic Party, (RDP) with Kim Sang-hyon, former RDP vice president, at the top of the list; the group of officials of the Congress for the Promotion of a United Pan-Democratic Party Capable of Taking Over the Reins of Government (Tongchuhoe), led by Reverend O Chung-il and Professor Yi U-chong; the group of former members of the defunct New Korea Democratic Party (NKDP), including Yu Chi-song and Yi Man-sop; the group of former elderly opposition statesmen, including Yi Chung-chae, Yang Sun-chik, and Ko Hung-mun, who have resolved to engage in united political action; and finally, the group of persons in the academic and judicial professions.

The PPD contact points in negotiating with the prospective recruits are under wraps as of this moment. However, presumably, former PPD floor leader Kim Won-ki is getting in touch with the former NKDP group; former PPD Assemblyman Yi Yong-hui with personages of the panopposition group, including Yi Chung-chae; and Chairman Kim Tae-chung himself with Reverend O Chung-il and other Tongchuhoe members.

In addition, Yi Won-pom and Im Tok-kyu are reportedly ready to join the party, and Professor Kim Tong-kil is among those who are being contacted but whose intentions are not clear.

The National Democratic Alliance of Korea (Chonminnyon) is withholding its decision. According to rumors, Professor Yi Su-in and 10 or more other professors from the Yongnam and Pusan areas are being actively contacted, but their name list has not been confirmed.

In connection with PPD Chairman Kim Tae-chung's persistent call for a revision of the Constitution to create the post of vice president of the republic, particularly the former politicians of the old opposition parties, who are among the targets of the recruiting campaign, have become the focus of attention.

On the other hand, the PPD is considering dropping its name to give itself a full image as a "new, panopposition party." When that name change actually takes place, it is expected that the new name will be one which will evoke an image reflecting the "national reunification issue," which has emerged as the first and foremost national task of the present time.

According to the influential view among observers, the leadership system of the "new, panopposition party" as proposed by the PPD will be a "unitary collective leadership system" consisting of the president, the chairman, and the Supreme Council members.

Analysts say that the basic strategic purpose of PPD President Kim in announcing his intention to push for the formation of a "panopposition party" is to secure himself a "singular position" by: (1) resolving the dearth of prominent personalities in preparation for the forthcoming local assembly elections and general election; (2) overcoming the PPD's limitations symbolized by its nickname the "Honam party" and moving closer to the highland of the presidency; (3) freeing himself from the responsibility for the rupture of the negotiations for the integration of the opposition camp and consolidating the party system. In some corners inside and outside the party, there is speculation that the proposal for a collective leadership system, which the PPD President made when he called for opposition integration, was intended as a strategic move on his part to neutralize the "demand for him to retire to the second line" and the "call for a shift in generation."

PPD President Kim has taken every opportunity to declare that he will risk his political life and the fate of his party for realizing local autonomy. Behind this declaration there is his own conviction that the implementation of local autonomy will serve as a "multipurpose bridgehead" in capturing advantageous heights in the forthcoming general and presidential elections.

Kim Tae-chung is contemplating the idea of using the local elections as a forum to publicize that the establishment of grass-roots democracy was the work of the PPD in order to muster public support and induce the public to a midterm appraisal of the performance of the DLP, whose popularity is at "the nadir," while expanding the party's network throughout the whole country with victory in the local assembly elections, particularly those at the provincial level, as the PPD's major goal.

According to Kim Tae-chung's analysis, in putting this idea into reality, it is imperative to bring new faces into the existing party personnel from the outside.

The PPD's emphasis on recruiting Yongnam personages in its plan to recruit outsiders is intended as a strategic move to free itself from the "yoke" of being a "parochial party." PPD President Kim, well aware of the PPD's limitations, nominated a Yongnam figure as the PPD candidate for the past byelections in the Yonggwang-Hampyong District and has been contemplating strategic plans to transcend his party's limitations as a "parochial party" by advocating "the introduction of a vice presidential system and of a runoff election system."

Particularly, given the likelihood that a "small-constituency system will be adopted in the ongoing negotiations in the current National Assembly session on the size of the electoral districts for local elections, as well as the prospect that the PPD's limitations as a parochial party will increase still more when such a system is adopted, it is regarded as an absolute necessity to recruit Yongnam figures as a "safety valve" to stave off the deterioration of the PPD position.

The plan to form a new, panopposition party has something to do with PPD President Kim Tae-chung's strategy to escape from the responsibility for the failure to achieve the integration of the opposition forces and to secure the PPD's "authenticity" as the leading opposition party.

Kim Tae-chung's strategy is to shelve and put on the back burner for the time, as a long-range goal, any plan to merge with the Democratic Party, which has given no assurance in favor of an opposition merger, and more immediately, to consolidate the opposition battleline to bring it up to a level next only to that which will be attained when the integration of the opposition forces takes place, so that the PPD may placate the voice of opposition within the party, and at the same time, brace for the local elections scheduled for next spring.

It is too early to predict how vigorously President Kim's new idea of organizing a "new, panopposition party" will be advanced. The key question is whether a sufficiently large number of Yongnam figures and former opposition personages will respond to the call in order to make the new party worthy of its name as a "new, panopposition party."

A key PPD official admitted the difficulty of the recruiting campaign when he said: "Up until now, we have not yet succeeded in obtaining pledges to join the party from any amazing number of outsiders... and a concrete picture will not emerge until next spring."

As a matter of fact, since the three-party merger on 22 January, the PPD has made a persistent effort to recruit outsiders with little tangible result.

At the time of the three-party merger, the PPD formed the "machinery for the promotion of integration of middle-of-the-road forces" to make an all-out effort to bring outsiders into the party. It waged a "war to bring outsiders into the party" by naming 10 new members, including Assemblymen Sin Su-pom and Cho Se-hyong, to this machinery, in addition to the original 10 members including Assemblymen Kim Won-ki, Kim Yong-pae, Yi Sang-su, and Yi Hae-chan.

However, this effort produced very little tangible result. Yi Chung-chae, Yang Sun-chik, Ye Chun-ho, and Yi Man-sop—all of these heavyweights are again among the targets of the current recruiting campaign—declined to express their readiness to join the party.

The greatest obstacle hindering these politicians from willingly joining the party is, in the final analysis, the question of the leadership, including the problem of having the present party president retire to the second line. Most of these politicians have made it clear that they will not join a new opposition party until the PPD attains the image of a full-fledged party ready to take over the reins of government through the integration of the opposition camp, and that it will be difficult for them to join the PPD when it is merely at the stage of opening its door to outsiders.

This explains why some analysts hold the cautious opinion that PPD President Kim's announcement on his plan to organize a "new, panopposition party," coming as it does at a time when there is practically no political heavyweight who has readily agreed to join the PPD, may mean nothing more than a mere declaration. In other words, these analysts point out that looking ahead toward the complex political situation which will develop between the period from immediately after the end of the current regular session of the National Assembly until next spring, Kim Tae-chung may have made the announcement in question as a "trial balloon" in an attempt to steal a march on others.

Furthermore, for the same reason, there is another analytic view that Kim Tae-chung announced his plan to form a new, panopposition party, which is nothing more than a "declaration" of intent," in a "last ditch attempt" to drive the Democratic Party, which is currently in great difficulty, into a checkmate. In other words, the announcement is taken as an attempt to weaken as soon as possible the power of the "Democratic Party" before it might emerge as a major political dark horse next spring.

Needless to say, you can never tell what the details of the PPD president's plan to organize a "new, panopposition party" and of his intention are until he "takes off the lid." When there were no elections scheduled immediately following the three-party merger, there was not much merit in recruiting outsiders, but now the situation has changed, with the local elections slated for next spring.

Burma

PRC's Luo Gan, Delegation Arrive; Meet Minister

BK2801140491 Rangoon Domestic Service in Burmese 1330 GMT 28 Jan 91

[Text] Mr. Luo Gan, secretary general of the State Council of the People's Republic of China, and a six-member delegation flew in to Yangon [Rangoon] this afternoon. The Chinese guests were welcomed at Yangon airport by Lieutenant General Phone Myint, member of the State Law and Order Restoration Council and minister of home and religious affairs and information and culture; U Tin Htoo, director general of the Fine Arts Department; Thura U Aung Htet, director general of the Foreign Ministry's Protocol Department, and responsible officials; Mr. Cheng Ruisheng, PRC ambassador to Myanmar [Burma]; and staff members of the PRC Embassy.

At 1600, Mr. Luo Gan and his delegation, in the company of the PRC ambassador, visited the Ministry of Culture on Pansodan Road and called on Lieutenant General Phone Myint, minister of culture and information, and home and religious affairs.

Also present on the occasion were U Tin Htoo, director general of the Fine Arts Department; Dr. Ye Htut, director general of the Institute of Culture; U Kyi Lwin, director general of the Myanmar Television and Broadcasting Department; and U Tun Zaw, head of office of the Ministry of Culture.

Khin Nyunt Receives Japanese Official, Envoy

BK2401140091 Rangoon Domestic Service in Burmese 1330 GMT 24 Jan 91

[Text] Major General Khin Nyunt, secretary-1 of State Law and Order Restoration Council of the Union of Myanmar [Burma], received Mr. (M. Korunu), head of the Southeast Asian Division of the Foreign Affairs Ministry of Japan, at the Dagon Yeiktha hall of the Ministry of Defense at 0900 today.

Also present at the meeting together with Maj. Gen. Khin Nyunt was U Ohn Gyaw, director general of the Foreign Ministry's Political Department, while the visiting Japanese official was accompanied by Mr. Tomoya Kawamura, Japanese ambassador to Myanmar.

Thai Company Signs Joint Pact on Oil Production

BK1601153191 Bangkok Army Television Channel 5 in Thai 1230 GMT 16 Jan 91

[Text] The Petroleum Authority of Thailand Exploration and Production Company Limited has signed a joint investment agreement for exploration and production in Burma. This afternoon, an agreement was signed on joint investment in the exploration and production of petroleum outside of Thailand between the managing director of the Petroleum Authority of Thailand Exploration and Production Company Limited and the representative of the Unocal Burma Company Limited. The agreement enables the two companies to jointly look for and produce petroleum in Area F in Burma, which is a 6,200 square km concession area near the central Burmese town of (?Salin). The estimated petroleum reserves in the area are 200 million barrels. The Thai share in the joint investment project is 10 percent. The production yield will be used in Thailand.

The Thai company's managing director said the signing is a result of implementation of the government's oil supply policy and added that Thailand is also applying for a concession to produce natural gas in Martaban, Burma.

1 Dead, 6 Wounded in Karen Attack on Village

BK2801143491 Rangoon Domestic Service in Burmese 1330 GMT 28 Jan 91

[Text] Insurgents have been resorting to all means to disrupt the peaceful lives of innocent people and to disturb regional tranquillity. Accordingly at 1310 on 25 January, without any reason, a 20-strong KNU [Karen National Union] unit lobbed rocket-propelled grenades and 60-mm mortar shells at Myaukkamai and Taungkamai villages in Kawkareik township.

The attack killed one person and wounded six others, including three children. Daw Ngwe Kyi, 52, was killed by shrapnel from a shell. U Tin Maung; Ma May, 15; Ma Tin Tin Tun, 14; Ma Pwint Phu Khaing, 12; Ma Than Myint Aye 12; and Ma Zin Mar Tun, 7, were also wounded by shrapnel.

Following the attack, which lasted for about 20 minutes, the insurgents retreated toward the west. Defense Services units are pursuing the fleeing rebels.

Brunei, Malaysia & Singapore

Malaysia

'Intense Lobbying' for Finance Minister's Post

BK2901100891 Hong Kong AFP in English 0949 GMT 29 Jan 91

[By Mervin Nambiar]

[Text] Kuala Lumpur, Jan 29 (AFP)—An announcement by Finance Minister Daim Zainuddin that he plans to retire has sparked intense lobbying for the coveted post that will place a successor in line for Malaysia's premiership, political sources said Tuesday.

They said that three major contenders had emerged—Education Minister Anwar Ibrahim, 43, International Trade and Industry Minister Rafidah Aziz and Agriculture Minister Sanusi Junid, both 47.

All three are vice presidents of the United Malays National Organisation (UMNO), Malaysia's largest political party and widely regarded as potential successors to Prime Minister Mahathir Mohamad and his deputy, Ghafar Baba, both 65.

Analysts said that Dr. Mahathir could ask his finance minister to stay on or pick a successor from the business community as he did in 1982 when appointing Mr. Daim, then a businessman, if he decides against giving anyone an edge in the succession stakes.

"I don't think Dr. Mahathir will pick someone from outside the cabinet," Mr. Daim told foreign journalists recently, recalling strong resistance to his appointment in 1982 from cabinet colleagues who felt that the job should have gone to one of them.

Mr. Daim, who sent his letter of resignation to Dr. Mahathir earlier this month, has said that he would not change his mind about stepping down, although as a party man he would leave the final decision to the prime minister.

An aide to the finance minister said that Mr. Daim, who disavows political ambitions, accepted the offer to be finance minister at a time when public finances were strained by borrowings and the economy was sliding into recession.

"The economy is back on even keel so he feels free to leave," the aide said.

Analysts said that they did not expect the finance ministry's pro-business polices to change, whoever the new appointee. "The government policies that have promoted business and investments will continue," an UMNO official said.

During Mr. Daim's tenure, Gross Domestic Product (GDP) expanded rapidly to peak at 9.4 per cent last year, partly fuelled by substantial inflows of direct investment from Taiwan, South Korea, Japan and Singapore.

The government last year received 1,286 applications to set up manufacturing plants involving investments of 48.7 billion Malaysian dollars (18 billion U.S. dollars), a surge encouraged by liberal equity ownership rules and unhindered repatriation of profits.

The analysts said that the scramble for Mr. Daim's job had been heightened by the fact that a successor would not only inherit a healthy economy but also considerable political patronage by gaining the right to dispense funds to state governments.

UMNO sources say that a finance minister would be better placed to mount a successful challenge for the party's presidency or deputy presidency should either Dr. Mahathir or Mr. Ghafar, UMNO's deputy president, step down in 1993 when the party's next polls are scheduled.

Analysts say that in any case, Dr. Mahathir and Mr. Ghafar, although in apparent good health, may be too old at 70 to face up to the rigors of leading the national front coalition at the next general election in 1995.

Both men have undergone cardiac bypass surgery after minor heart attacks.

At UMNO's last polls, in November last year, Mr. Anwar and Mr. Sanusi, a former banker, were elected party vice presidents along with former Defence Minister Abdullah Badawi, 51.

Ms. Rafidah, an economics lecturer before entering politics, is a vice president by virtue of being the head of the party's women's wing.

But UMNO sources say that the line of succession was far from clear although Dr. Mahathir has in recent years appeared to favour Mr. Anwar, a charismatic former Moslem activist who joined the cabinet in 1983.

Mr. Abdullah, axed in 1987 for backing an abortive bid by then Trade Minister Tengku Razaleigh Hamzah to unseat Dr. Mahathir, is expected to rejoin the cabinet after the appointment of a new finance minister, analysts said.

Police Step Up Checks at Entry Points Nationwide

BK2901103091 Kuala Lumpur BERNAMA in English 0947 GMT 29 Jan 91

[Text] Kuala Lumpur, Jan 29 (OANA/BERNAMA)—Malaysian police are maintaining strict measures at all entry points to prevent extremist groups from slipping into the country to cause trouble following the Gulf war, Inspector General of Police Haniff Omar said Tuesday.

Security, customs and immigration personnel deployed along the border had been directed to carry out stricter checks on visitors for firearms and explosives, he said.

He said [words indistinct] carried out smoothly at all entry points, including the northern border areas, airports, ports and causeway.

Haniff said so far there had been no incidents that threatened the country's security following the Gulf war.

He said patrols by Police Field Force and marine police along the border with Thailand had also been stepped up.

Minister: Economy Can Withstand Gulf War Effects

BK2301042491 Kuala Lumpur BERNAMA in English 0327 GMT 23 Jan 91

[Text] Kuala lumpur, Jan 23 (OANA-BERNAMA)—The Malaysian economy is fundamentally sound and resilient enough to withstand the effects of the Gulf war.

Deputy Finance Minister Abdul Ghani Othman said Tuesday, however, the government hoped the war would not be long-drawn as this would lead to global economic chaos which was likely to affect the country's economy.

He said the government was studying the implications of the war on the country and would make necessary adjustments to the 1991 budget allocation which were drawn up based on oil revenue at U.S. [words indistinct] per barrel.

Government To Close Vietnamese Refugee Camp

BK2501162391 Hong Kong AFP in English 1540 GMT 25 Jan 91

[Text] Kuala Lumpur, Jan 25 (AFP)—Thousands of Vietnamese boat people are being moved from a South China Sea island to a holding centre here so Malaysia can close its oldest refugee camp, refugee officials and diplomats said Friday.

They said the transfer, involving some 12,000 Vietnamese on Bidong Island, had raised fears the Sungai Besi camp on the city's outskirts may grow overcrowded, worsening living and health conditions.

Western diplomats and refugee officials said a government task force had assured United Nations High Commissioner for Refugees (UNHCR) officials that facilities at Sungai Besi would be expanded to house up to 7,000 boat people.

Sungai Besi housed some 2,500 Vietnamese before the transfer from Bidong Island began last month. Diplomats said the move was not unexpected.

Malaysian officials, including Prime Minister Mahathir Mohamad, have said over the past two years that the Bidong camp, opened in 1978 when the refugee influx began, would be closed and the island returned to local fishermen.

Refugee officials said the task force had told them Bidong Island's entire Vietnamese population would be moved and the camp closed by April 30.

"Government officials and the UNHCR have started discussions on the expansion plans for Sungai Besi," a Western diplomat said, adding that the government was expected to seek UNHCR funding for the project.

Diplomats said they saw the move to shut the Bidong camp as part of a new tough stand towards refugees adopted after Kuala Lumpur failed to secure U.S. and Vietnamese approval for forced repatriation of boat people failing to qualify for resettlement in third countries.

Under a plan hammered out in Geneva in June 1989, all boat people arriving in Malaysia after March 14 of the same year are screened to separate genuine refugees eligible for resettlement from economic migrants. The economic migrants were to be repatriated.

Local officials have complained the plan can work only if those screened out are forced to return home so Malaysia is not left with a large residue of boat people with nowhere to go.

Diplomats and refugee officials say that as part of its hardline stance Malaysia was also continuing to push out refugee vessels landing on its shores, a policy that has resulted in virtually no new arrivals since mid-1990.

Minister on Internal Security Act Detainees

BK2501133991 Kuala Lumpur NEW STRAITS TIMES in English 24 Jan 91 p 7

[Excerpt] A total number of Internal Security Act [ISA] detainees is now 142, of whom 117 were held for their communist ideologies while 25 were held for political and other activities, Deputy Home Minister Datuk Megat Junid Megat Ayub told the Dewan Rakyat [House of Representatives].

He said 109 people detained for communist activities were members or sympathisers of the 10th regiment of the Communist Party of Malaya while eight belonged to a splinter group called CPML [Marxist-Leninist Communist Party].

Of the remaining 25, five were detained for religious extremism under Operation Kenari, eight were detained under Operation Kenal for forging identity cards and other Government documents and seven under operation Sumbu for espionage and selling Government secrets.

He said four were held following Operation Talak for attempting to secede Sabah from Peninsular Malaysia and one person was being held for his role in Burning a mosque following Operation Ketayap.

"All those under detention are locals," he said when replying to points raised on his Ministry during the debate on the 1991 Budget at the committee stage.

He added that the Government had no plans to repeal the ISA although the Communist Party of Malaya had laid down its arms, since those who threatened the nation's security could also be detained under the act.

He said the Government would not hesitate to detain those guilty of white collar crimes under the ISA if their actions were detrimental to the national economy. [passage omitted]

Singapore

Minister: Gulf War 'Political'; Quick End Hoped

BK2701115491 Singapore Domestic Service in English 1100 GMT 27 Jan 91

[Text] The minister of state for trade and industry, Mr. Mah Bow Tan, has said Singapore hopes there is speedy end to the situation in the Gulf. Even though our economy is fundamentally strong and well diversified, there is no doubt we will be affected if the war drags on. But he noted that the economy of some of our trading partners like our neighbors Malaysia, Indonesia, and Thailand are strong and [words indistinct] positions.

Mr. Mah added that though a political issue, there were attempts to turn Gulf war into a religious one. He warned that our reaction to the war should not jeodarpadize the racial harmony and unity that we enjoy here. Mr. Mah was speaking to reporters after a ministerial visit to the Nee Soon South constituency.

Statistics Break Down Reaction to Gulf War

BK2801115791 Singapore THE SUNDAY TIMES in English 27 Jan 91 p 1

[By Bertha Henson]

[Text] Most Singaporeans said in a survey last week that they supported the use of force by the US-led allied forces against Iraq—but not the Malays.

While eight out of 10 Singaporeans felt that the use of force was right, six out of 10 Malays disapproved of it, and even more said the allies pulled the trigger too soon.

This is one of several key findings of a SUNDAY TIMES survey conducted by the Singapore Press Holdings' research and information department on Tuesday [22 January] and Wednesday, the sixth and seventh days of the Gulf war.

What emerged from the survey was that while most Singaporeans agreed on several issues related to the war, there were marked differences of views between the Malays and other communities.

The Malays appeared to be more sympathetic towards Iraq, which has been bombed after it refused to observe the United Nations-imposed Jan 15 deadline to pull out of Kuwait.

Not only did the Malays think it wrong for the US-led allied forces to attack Iraq, proportionally less of them were in favour of Singapore being involved.

They were less effusive than the other races about Singapore's decision to send a 30-man medical team to Saudi Arabia to help war casualties.

And they were more disapproving than the non-Malays when asked if Singapore should send its soldiers there.

Another area where perceptions differed markedly is over the involvement of Israel, which has come under Iraqi missile attacks and is under pressure from the allies not to retaliate.

Most Singaporeans in general disapproved of the Iraqi attacks, but more of the Malays thought it justified.

Yet another interesting finding: 19 percent of the 106 Malays surveyed believed that Iraq would win the war, but none of the 276 Chinese thought so.

But the Malay perception was not so different from national opinion when they were asked if they thought the Gulf war was a religious one between Christians and Muslims.

Three out of four said no. The same proportion also thought that it should not be turned into a holy war or jihad, as Iraqi President Saddam Husayn had urged.

And like the other races, most of the Malays did not view the Iraqi leader as the leader of the Muslim world, although proportionally more Malays saw him as a hero in the Gulf war.

The survey covered 413 adults aged 15 years and above.

Besides gauging national public opinion from a representative sample of the population, the survey, conducted through telephone interviews, also focused on the opinions of the Malay community.

Earlier news reports had reflected the pro-Iraqi sentiments of the Muslims here, with a number urging that foreign troops pull out of the Gulf and that the Arab states be left alone to resolve the issue.

The survey team sought to capture the Malay perspective by enlarging the sample size of Malays from 52, as used in the national sample to 106.

In a nutshell, the poll tapped views on several fundamental issues of the war which have divided international public opinion, such as whether the allies were justified in attacking Iraq and the possible involvement of Israel.

Interviewees were posed specific questions, to which they had to answer yes or no.

And according to Mr Wong Toon Quee, the research and information department's assistant general manager, Singaporeans were more than willing to give their views, reflecting their high level of interest in the war.

"Compared to other surveys we have done in the past, the interviewees were very open and gave us more than we need," he said, adding that many wanted to know how other people felt about the war.

A trend can also be detected when the survey was analysed in terms of the age distribution: more of the older Singaporeans expressed support for the US-led attack against Iraq.

But despite their approval of the war, older Singaporeans were more cautious about wanting to send Singapore soldiers to fight in the Gulf, while young Singaporeans were more likely to agree to it.

Also, more male Singaporeans than female Singaporeans were on the side of the US-led alliance.

And if you ask Singaporeans whether Iraq would unleash chemical weapons, chances are that two out of three would say yes, which was what the survey indicated.

Cambodia

Report on National Assembly's 28 Jan Session

BK2801142891 Phnom Penh Domestic Service in Cambodian 1300 GMT 28 Jan 91

["Report on the National Assembly's 20th Ordinary Session, First Legislature"]

[Text] On the afternoon of 28 January, the National Assembly's 20th ordinary session, first legislature, began its work as scheduled.

The parliamentary members carefully listened to the report on the activities of the People's Supreme Court read by its president, Comrade Khang Sarin, and the report on the activities of the Attorney General attached to the People's Supreme Court read by its general prosecutor, Comrade Chan Min. The audience also paid attention to the brief report on the implementation of the 1990 state planning and its objective for 1991 read by Comrade Chea Chanto, minister of planning; the condensed report on the implementation of the 1990 state financial and budgetary works and its goal for 1991; and the report summing up the 1989 budget balance read by Comrade Chhay Than, minister of finance.

The National Assembly session adjourned temporarily at 1615 and will resume its work tomorrow morning.

Chea Sim Addresses 20th National Assembly Session

BK2901091391 Phnom Penh SPK in French 0414 GMT 29 Jan 91

[Text] Phnom Penh 29 Jan (SPK)—The chairman of the National Assembly of the State of Cambodia declared open the 20th session of the country's parliament on Monday morning, 28 January, with problems concerning national defense, the struggle in the diplomatic field, and social legislation as its agenda.

Representatives of diplomatic missions accredited to Phnom Penh and many high-ranking personalities of the country attended the opening session as observers.

Chea Sim, who is also a member of the Kampuchean People's Revolutionary Party Central Committee Political Bureau and chairman of the National Council of the Kampuchean United Front for National Construction and Defense, pointed out to the deputies coming from all constituencies throughout the country that in the period of the past 12 years of Cambodia's national rebirth, 1990 marked a new stage in which the Cambodian people had to take care of the national defense and reconstruction tasks themselves. We have achieved many feats in our capacity as the true master of our country's destiny, thus bringing the international prestige of the State of Cambodia to new heights, he said.

The chairman of the National Assembly voiced warm appreciation for the efforts made by the Council of Ministers in the interval of the two National Assembly sessions, efforts which have created a turning point in the [illegible] political life of the country. He went on:

"The fight against corruption and other negative phenomena in society has become a concrete and all-present movement in the country. There are measures that have won the aproval and support of the population and which contribute to strengthening the people's confidence in the new regime.

"Animated by genuine goodwill for peace and national reconciliation in order to bring an immediate end to the war provoked by the genocidal Pol Pot clique and its allies, the Cambodian people are firmly advancing on the path of negotiations toward finding a reasonable, equitable, noble, and genuine political solution that does not result from any threat or coercion. The Cambodian people are fed up with the war and want a lasting peace and a peaceful life in the land inherited from their Angkor ancestors. They wish to establish relations of friendship and cooperation with their neighbors and other countries, near or far, in the region or outside the region, on the principle of peaceful coexistence, mutual respect, and non-interference in other people's internal affairs, and on the basis of reciprocal interests.

"The Cambodian people are glad to see the world's trend toward ending the cold war and opening a new era, namely, the era of peaceful coexistence among nations. They are convinced that this trend will create favorable conditions for ending regional conflicts, preventing the risks of nuclear war, reducing forces and arms, and strengthening international cooperation in the settlement of essential problems in the interest of humanity."

On the Gulf war which was started by Operation "Desert Storm" of the U.S. forces and their allies, Chairman Chea Sim said: "The National Assembly of the State of Cambodia regrets it and deems that the Gulf crisis should be settled peacefully. The international community should encourage the holding of an international conference on the Middle East to put an end to this crisis and settle other problems in the region, including the Palestine problem.

"We deeply regret the launching of this war which could result in considerable losses in human lives and natural resources seriously [words indistinct] ecological conditions."

Following the opening speech of the chairman, the deputies heard reports on the activities of the National Assembly, the Council of State, and various commissions on laws, cultural and social affairs, the economy and budget, and ethnic minorities.

Tie Banh, Hun Sen Give Reports at Assembly

BK2901112891 Phnom Penh Domestic Service in Cambodian 0430 GMT 29 Jan 91

["Report on the National Assembly's 20th Ordinary Session, First Legislature"]

[Text] This morning, the 20th ordinary session of the State of Cambodia's National Assembly proceeded as scheduled.

At this second day session, all National Assembly members heard a report on the military situation, construction work, and proselytization work in 1990 read by Comrade General Tie Banh, minister of National Defense; a report on the maintenance of the political security and social order in 1990 read by Comrade General Sin Song, minister of the interior; and a report on foreign affairs read by Comrade Hun Sen, chairman of the Council of Ministers.

The participants then heard the bills on the creation of security bonds, patriotic bonds, fiscal stamps, duty stamps, measurement stamps, notary fees, slaughtering duties, and taxes on transport means and vehicles of all types, and bill on the issuance of national lottery presented by Comrade Chem Snguon, chairman of the Legislative Commission.

The National Assembly session adjourned at 1045 so the deputies could individually study the bills, and will resume its work tomorrow morning.

Radio Welcomes 20th National Assembly Session

BK2801071591 Phnom Penh Domestic Service in Cambodian 2300 GMT 27 Jan 91

[Station commentary: "We Enthusiastically Welcome the 20th Ordinary Session of the National Assembly, First Legislature"]

[Text] Amid a joyous atmosphere in which our entire nation has just entered the international new year 1991 and celebrated the anniversary of our glorious 7 January festival with great pride over the national achievements we scored in all fields, such as military, political, and diplomatic, today, our State of Cambodia's National Assembly, first legislature, which is the top organization of the Cambodian people, solemnly opens its 20th ordinary session.

It should be noted that since its birth, our State of Cambodia's National Assembly has actively strived to fulfill its role and duties with a lofty sense of responsibility worthy of being the top organ of state power and the top representative organization of our Cambodian people.

The National Assembly has constantly enhanced the efficiency of its work to control the state, the society, and economy in conformity with the pace of our national development.

Moreover, to enhance its capabilities and qualities in controlling our state, society, and economy, and ensuring the rapid improvement of the living standards of our people throughout the country, this National Assembly's 20th session will discuss and approve the issues relating to the draft economic, social, cultural, and financial plan for 1990 and the targets for all-around tasks in 1991 as well as issues relating to consolidating and expanding our society's legality, the tasks of defending the country and ensuring political security and social order, and the diplomatic struggle in the new stage.

We express our enthusiastic welcome to the 20th session of the National Assembly, first legislature, and our firm conviction that our National Assembly will fully exercise its rights and powers provided by the Constitution in enhancing our state's legality and in lively and concretely contribution to carrying out the resolutions of the second national congress of party cadres and of the party Central Committee's 11th and 12th sessions.

The Cambodian people wish the session clear-sightedness, wisdom, and brilliant success in its work.

Hun Sen Addresses Planning Meeting 24 Jan

BK2501130591 Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Jan 91

[Summary] "After hearing reports and exchanging views for two days, the 1991 state planning meeting organized by the Ministry of Planning at the Wage and Labor Department office ended its work with success on the afternoon of 24 January.

"Attending in the presidium on that occasion were, among others, Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of the Council of Ministers; Comrade Nguon Nhel, member of the party Central Committee Political Bureau and minister of agriculture; Comrade Yos Son, member of the party Central Committee and minister of education; Comrade Do Sohan, member of the party Central Committee and first deputy minister of war invalids and social action; and Comrade Chea Chanto, alternate member of the party Central Committee and minister of planning."

Addressing the closing session, Comrade Hun Sen said: I am pleased with the outcome of the past two days of meetings. Based on the reports on last year's situation and the forecast for developments in the national and international situation, you have raised many important measures to help effectively implement the 1991 state plan. Your resolve has clearly shown your resolute stance with legitimate optimism and absolute confidence in the line and leadership of the party and your own strength, mastery, and ability to take care of all tasks of the nation by yourselves at this new stage and with new expectations.

The year 1990 saw great successes in the military-security field and in our efforts to implement the economic reform policy placed under party leadership and state control with main emphasis on strengthening internal unity.

According to the report by the planning minister, work productivity has not yet been sufficiently enhanced because of the failure to improve the industrial production networks and the agro-industry, introduce modern techniques, and raise the intellectual level and professional acumen of those responsible for the implementation of the plan. "For these reasons, the production of virtually all sectors remains minimal and some products have failed to fully meet domestic demand with far below standard quality.

"Dear Comrades: Now I would like to talk to you more about the objectives and measures that we must understand in depth and implement with flexibility and a more entrepreneurial sense in accordance with the world situation, the overall situation at home, some peculiar regional conditions, and the time factor.

"The year 1991 is the first year that all sectors and levels must concentrate all their physical and intellectual strength on energetically implementing the 1991-95 socioeconomic restoration and development plan already adopted by the Council of Ministers. In whatever political eventuality that we might sooner or later find ourselves, we are resolutely determined to prevent the return of the genocidal Pol Pot regime. Everything we do is for the goal already chosen by the party, government, and people. Therefore, we must know how to take chances, how to seize advantage, and how to make use of all the combined forces that would benefit the revolution and our national society. Only by so doing can we fulfill the requirement in our original slogan that goes as follows: Whatever we do, we do it to increase the people's confidence in our new regime."

I ask all of you to further intensify efforts on the following points:

Management: We must continue to study this field and quickly and systematically put in place management principles and rules. All undertakings must bear technical characters, values, and wisdom. All economic components must be accorded a set of laws and guarantees so that they can function with confidence. Ministries and general departments must hold responsibility according to the program determined by the Council of Ministers and avoid the tendency of launching numerous projects that few can be completed.

Foodstuffs: Agriculture must be further developed so that food can satisfy local needs as well as export.

Rubber: This must continue to play its role as the second most important economic spearhead in the national economy. We must make this field a major attraction in the foreign trade sector and work to implement foreign investment laws in Cambodia.

Forestry: Forest exploitation must be conducted with the clear understanding that the people whould be compensated for the logs felled.

Aquatic products: Cambodia used to be famous in world and regional markets for its fish. Nature, however, seems to be less salutary nowadays. Therefore we must intensify fishing along with fish protection and breeding.

Industrially produced handicrafts: Modern technology must be introduced into production in this field to increase labor yield and ensure the quality of goods. Industrially produced handicrafts must grow to serve the development of agriculture and meet local demands in consumer goods, reduce exports of unprocessed farm produce, and prevent the influx of unnecessary manufactured goods.

Communications: The ministry in charge must continue to promote communication, transport, and postal activities in economic development, national defense, and in satisfying the people's freedom to travel.

Commerce: For the immediate future, it is imperative to fulfill the rice and farm produce purchasing plan; increase control on imports and exports; and focus on making available a number of strategic goods such as food and fuel oil. "The state has a monopoly on the export of the following six types of goods: rice, timber, rubber, soybeans, corn, and tobacco. The import of luxury goods and goods that do not serve the needs of the people must be reduced, whereas the import of raw materials, farm equipment, construction materials, and goods necessary for the needs of the people must be encouraged."

Construction work: This sector must serve the better living of the people. Precaution must be taken, however, to avoid wastes of budget in construction.

Tourism: This field must be intensified to capitalize on our rich cultural heritage.

Health: A high sense of humanitarianism and patriotism is needed in providing health service for the populace.

Culture and social action: Efforts must be made to protect our culture and traditions and to spread our party and state policy and win more adherents among the people.

"Perfecting economic management work through correct implementation of the 1991 state plan is the key and the support base for the socioeconomic development in the years to come. In this endeavor, you must compare what you have accomplished with all the existing principles advocated by this administration. The objective of our economic management is to change from the concept of centralized state planning to one that acknowledges economic activities based on consumer goods, so that the State of Cambodia can gradually find a place in the international economy. The modality of economic management therefore must be characterized by flexibility, objectivity, and efficiency aimed at facilitating production, distribution, and the exchange of products. Favorable conditions must be created to enable production units to make direct contacts with one another."

The Council of Ministers agrees with your views concerning all difficulties encountered in some strategic sectors. We will examine them and take appropriate measures. For the time being, we must continue practicing thrift and making a stockpile of goods necessary for the state. Thrift practice must be launched into a major nationwide campaign to economize on construction materials, raw materials, fuel oil, and machinery by reminding the people that these goods are hard to come by through import.

Delegation Leaves for Lao Official's Funeral

BK2501143291 Phnom Penh Domestic Service in Cambodian 1300 GMT 25 Jan 91

[Text] This morning, 25 January, a party and state delegation headed by Comrade Say Chhum, member of the party Central Committee Political Bureau and standing vice chairman of the Council of Ministers, accompanied by Comrade Long Visalo, deputy foreign minister of the State of Cambodia, left for Laos to attend the funeral of Comrade Sali Vongkhamsao, vice chairman of the Council of Ministers of the Lao People's Democratic Republic.

Sending the delegation off at Pochentong Airport were, among others, Comrade Mrs. Men Sam-an, member of the Political Bureau and chairman of the Kampuchean Federation of Trade Unions; Comrade Sim Ka, alternate member of the Political Bureau and secretary of the Phnom Penh City Party Committee; Comrade Ek Samol, deputy minister of education; and several cadres from the Cabinet of the Council of Ministers and the Ministry of Foreign Affairs.

Delegations Pay Condolence Calls to Lao Embassy

BK2901080191 Phnom Penh Domestic Service in Cambodian 0430 GMT 29 Jan 91

[Text] On the morning of 28 January a delegation of the party, state, National Assembly, front, and mass organizations of the State of Cambodia led by Comrade General Bou Thang, member of the the Political Bureau of the party Central Committee and chief of the General Political Department of the Cambodian People's Armed Forces, went to the Lao Embassy in Cambodia to pay homage to the soul of Comrade Sali Vongkhamsao, member of the the Political Bureau and the Secretariat of the Central Committee of the Lao People's Revolutionary Party, vice chairman of the Council of Ministers, minister of economy, planning, and finance of the Lao People's Democratic Republic, and member of the Lao Supreme People's Assembly. Comrade Sali Vongkhamsao, the outstanding son of the Lao people, together with the comrade party-state leaders of Laos, actively took part in the cause of the Cambodian revolution and in consolidating and expanding the traditional bond of fraternity between Cambodia and Laos.

At the same time a delegation of the State of Cambodia Foreign Ministry led by Foreign Minister Comrade Hor Namhong and the comrade ambassadors from embassies of friendly countries in Cambodia also visited the Lao Embassy to pay homage to the soul of Comrade Sali Vongkhamsao.

Heng Samrin Receives Lao Deputy Defense Minister

BK2801073591 Phnom Penh SPK in English 0444 GMT 28 Jan 91

[Text] Phnom Penh SPK January 28—Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council, received in Kompong Som City on January 24 a Lao military delegation led by Lieutenant-General Choummali Sai-gnason first deputy minister of National Defence of the Lao People's Democratic Republic.

Speaking to his guests, President Heng Samrin reiterated the Cambodian people's determination to further consolidate and develop the friendship, solidarity, and all-sided cooperation between the parties, governments, and peoples of the two countries.

He denounced the three Khmer opposition factions' ill-will in making use of the blueprint of the five permanent members of the United Nations Security Council to force the Phnom Penh government to accept a political solution to the Cambodian issue which would enable them to take over power from the Phnom Penh side.

He thanked the party, government, and Defence Ministry of Laos for their assistance and support to the just revolutionary cause of the Cambodian people.

For his part, Choummali Sai-gnason said he rejoiced at the all-round progress of the State of Cambodia. He expressed his firm conviction that under the clear-sighted leadership of the People's Revolutionary Party of Kampuchea, the enemy he said the Lao Army and people will always side with their Cambodian friends. [sentence as received]

On the same day, Cambodian Defense Minister Tie Banh also had talks in Kompong Som City with the Lao head delegate.

The Lao military delegation left Cambodia on January 26 after a four-day official friendship visit.

While here it also met with Bou Thang, vice premier and chief of the General Staff of the Cambodian People's Armed Forces, and Ke Kimyan, first deputy minister of National Defense.

It visited a number of cultural and economic centers in Phnom Penh and Kompong Som City.

Chea Sim Greeted by Mongolian Counterpart

BK2001060091 Phnom Penh Domestic Service in Cambodian 1300 GMT 19 Jan 91

[Text] Comrade Chea Sim, chairman of the State of Cambodia's National Assembly, received a message of greetings from His Excellency Radnaasumbereliyn Gonchigdrj, chairman of the State Small Hural of the Mongolian People's Republic, on the 12th anniversary of the 7 January National Day.

The message read: Sincerely wishing Your Excellency and the members of the Cambodian National Assembly all the best on the 12th anniversary of the Cambodian revolution.

Hun Sen Receives Greetings From Afghan Premier

BK1901040591 Phnom Penh Domestic Service in Cambodian 1300 GMT 18 Jan 91

[Text] Comrade Hun Sen, chairman of the Council of Ministers, received a message of greetings from Fazl Haq Khaliqyar, prime minister of the Republic of Afghanistan, on the 12th anniversary of the 7 January National Day.

The message says: On behalf of the Government and people of the Republic of Afghanistan and in my own name, I would like to extend cordial greetings to Your Excellency on the 12th anniversary of the State of Cambodia's national day. I am firmly confident that the relations of friendship and cooperation between our two countries' governments will continue to develop and strengthen in the future for the sake of our two peoples' interests.

Availing myself of this opportunity, I wish you the best of health and the friendly Cambodian state prosperity.

Heng Samrin Receives Greetings From Afghan Leader

BK2201061891 Phnom Penh Domestic Service in Cambodian 0430 GMT 22 Jan 91

[Text] Recently, Comrade Heng Samrin, secretary general of the party Central Committee and chairman of the State of Cambodia's Council of State, received a message from Najibullah, president of the Republic of Afghanistan, greeting him on the 12th National Day of the State of Cambodia. The message noted:

I am firmly convinced that the relations of friendship and cooperation between our two countries will further strengthen and develop in the interests of our peoples.

Availing myself of this occasion, I would like to extend best wishes for your good health and for the prosperity of the friendly Cambodian people.

Party Delegation Leaves for Congress in Germany

BK2501055691 Phnom Penh SPK in English 0421 GMT 25 Jan 91

[Text] Phnom Penh SPK January 26—A delegation of the People's Revolutionary Party of Kampuchea headed by Ney Pena, Politburo member of the party Central Committee and vice-chairman of its Control Commission, left here Thursday for Berlin to attend the second congress of the Socialist Democratic Party of Germany.

Kompong Thom Forces Kill 73 'Enemy Soldiers'

BK2901073691 Phnom Penh SPK in English 0444 GMT 29 Jan 91

[Text] Phnom Penh SPK January 29—According to military sources, from Jan. 18-22, the government troops in Kompong Thom Province, 150 km north of here, put out of action 105 enemy troops, including 73 killed, 13 wounded, 14 captured, and five others forced to surrender.

The government troops also seized 89 guns of various calibers and destroyed 15 enemy shelters.

The enemy soldiers took the casualties while falling into ambushes west of Stoung District.

Moreover, on Jan. 16, seven enemy soldiers were killed, five wounded and four rifles seized in a clash in Srei Snam District, Siem Reap-Oddar Meanchey Province, 300 km northwest of Phnom Penh.

'Heavy Fighting' Reported in Poi Pet

BK2901035391 Bangkok BANGKOK POST in English 29 Jan 91 p 5

[Text] Aranyaprathet—Heavy fighting erupted last night at the border town of Poi Pet in Cambodia between Heng Samrin soldiers and a resistance force believed to be the Khmer Rouge, a border source said.

The fighting started about 9:30 P.M. just opposite Ban Khok Sabaeng, about 15 km southeast of Aranyaprathet.

Radio: 83 SRV Troops Killed in Kompong Thom

BK2601035491 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jan 91

[Text] On 16 January the Vietnamese enemies marshalled 30 truckloads of Vietnamese troops from Kompong Svay and Stoung Districts [Kompong Thom Province] and Preah Vihear Province with seven armored carriers, cannons, and multiple rocket launchers in a bid to raid and retake from us liberated villages in Kompong Svay and Stoung Districts. However, they were ambushed and attacked for five days from 17 to 21 January and forced to beat a hasty retreat behind their lines. We killed 83 enemy soldiers—including three regimental commanders, two battalion commanders, and five company commanders—and wounded 94 others. We destroyed 32 assorted firearms and two field radios, and seized 25 guns and some ammunition and war materiel.

Army Training Center Set in Prey Nop District

BK2001025891 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 19 Jan 91

[Excerpt] In early January, the race-exterminating Vietnamese enemy aggressors in control of the 3d Military Region ordered their troops and traitorous Vietnamese lackey puppets Hun Sen, Heng Samrin, and Chea Sim to set up a military training center near National Route 4 at Bat Semoan in Prey Nop Commune, Prey Nop District, Kampot Province. In the training center, there are 12 Vietnamese officers who act as commanders and supervisors. The Vietnamese aggressors and their lackey puppets have rounded up our people and their children in Prey Nop, Kampot [Kampot Province], Samraong Tong, Kong Pisei, and Phnum Sruoch Districts [Kompong Speu Province], particularly those in the temporarily Vietnamese-puppet-controlled regions and sent them to the training center. But so far, they have been able to forcibly draft only a small number of our people and their children. [passage omitted]

Indonesia

UN Urged To Find Peaceful Settlement in Gulf

BK2901115891 Jakarta ANTARA in English 1045 GMT 29 Jan 91

[Text] Jakarta, Jan 29 (OANA-ANTARA)—U.N. Secretary General Javier Perez De Cuellar should play an active role in finding a settlement to the Gulf war, Lukman Harun, chairman of the Indonesian Committee for Islamic Solidarity said on Monday.

"I still believe in the effectiveness of the U.N. secretary general," Lukman said, adding that the war should not be allowed to go on longer and a peaceful settlement should soon be found.

But the question is who should take the initiative?

Lukman said initiatives through the U.N. Security Council would be impossible because the U.S. as leader of the multinational forces in the Gulf could veto them.

There would also be little possibility for an emergency meeting of the Organization of Islamic Conference (OIC) because the Islamic nations of the world have disparate interests in dealing the war, he went on.

As to the Non-Aligned Movement, he said, it is no longer as strong as it used to be.

For these reasons, the U.N. secretary general should actively play his diplomatic role in searching for a solution to the war.

Indonesia, Lukman said further, could also play a role. As Indonesia is regarded neutral vis-a-vis the two conflicting sides, its voice will be heard, he said. Especially if Indonesia acts in concert with the other ASEAN nations to mediate in the conflict.

Parliamentarians Appeal for Gulf Objectivity

BK2901125791 Jakarta ANTARA in English 1054 GMT 29 Jan 91

[Text] Jakarta, Jan 29 (OANA-ANTARA)—Some members of parliament appealed to the people Tuesday to be proportionate when analyzing the Gulf war in order to avoid ambiguous information about war-related facts.

Marzuki Darusman from the Golkar faction (FKP), Aberson Marle Sihaloho from the Indonesian Democratic Party (PDI) faction, Hamzah Haz from the United Development Party (PPP) faction and John Herlaut from the Armed Forces (ABRI) faction shared the view that unproportionate analysis or reports might create a one-sided opinion.

"We hope that when giving a reaction or making an analysis, people should put them upon the facts and national interests so that we will not be carried away in too much emotion," Marzuki said.

A fundamental question that must be understood well is that the Gulf conflict has occured because the two warring parties wanted to push their interest and not because of ideological, ethnic or even religious differences, they said.

"On the one hand Iraq wanted to give a lesson to Kuwait, Saudi Arabia and the United Arab Emirates which had always violated oil quotas and on the other hand the United States and its allies did not want Iraq to control the supplies and price of oil in the Middle East," Aberson said.

So, the Gulf war broke out solely because of an economic interest of the parties involved, which was originating from the question of world oil control and which has developed into a regional conflict that involved big countries from outside the region.

The four members of parliament expressed the hope that the government would soon take initiatives towards a peaceful settlement of the Gulf conflict either through the United Nations or other organizations such as the Non-Aligned Movement and the Organization of Islamic conference.

The Gulf war, which has proven to be longer than it was expected, has absorbed hundreds billion [as received] U.S. dollars from the multinational side and the United States itself has to contribute a fund of U.S.$80 billion for it.

This will reduce the multinational countries' aid to the developing countries including Indonesia, Hamzah Haz said.

"Of course, the fund for the war will disturb economic liquidity of the countries involved which are basically members of the Inter- Governmental Group on Indonesia (IGGI)," he said.

To anticipate such a situation, Hamzah Haz said that the government should think about policies such as reducing the burden of foreign debt payment by around 1.2 billion U.S. dollars in 1991/92, selecting imports to reduce pressures on the payment budget and creating a business climate to vigorize the domestic economy.

Alatas Comments on Cooperation, Disarmament

BK2901112491 Jakarta ANTARA in English 1031 GMT 29 jan 91

[Text] Bandung, Jan 29 (OANA-ANTARA)—The reduction of tension and the process toward disarmament could be realized only if each nation in the world, each region and the international community does the same thing, Foreign Minister Ali Alatas said here on Monday.

Opening a workshop on disarmament for the Asia-Pacific region attended by delegates from 21 countries, he said that nation, region and the international community are three mutually influencing and inseparable elements.

The security of a nation, he said, is an important factor for the region and, on the other hand regional and global security are also factors that affect the security situation of a nation.

On that consideration, efforts for the realization of disarmament, especially nuclear disarmament among the strong nations, call for joint actions among nations and among regions, he said.

Disarmament also could not possibly be realized if any nation in any region decides by itself what may and may not be done in the disarmament effort.

According to Alatas, a regional approach could contribute to the realization of a general and comprehensive disarmament.

In this context, in the Asia-Pacific region which covers a wide area and is inhabited by more than half of the world's population an action toward disarmament needs to be launched, Alatas said.

DPRK Premier Scheduled To Arrive 1 Feb

BK2801085591 Jakarta Domestic Service in Indonesian 0700 GMT 28 Jan 91

[Text] DPRK Premier Yon Hyong-muk is scheduled to arrive in Jakarta on 1 February. Speaking to reporters at the Binagraha Presidential Office in Jakarta today, Minister-State Secretary Murdiono said a welcoming ceremony for the DPRK guests will be held at Jakarta's State Palace. The DPRK premier is scheduled to stay until 4 February at the invitation of Vice President Sudharmono. Murdiono said the visit is aimed at strengthening bilateral relations, especially in trade and economic relations. The DPRK premier and his entourage will attend a state banquet in Jakarta and visit the Afro-Asian Museum in Bandung. The 30-man entourage will consist of a vice premier in charge of economic affairs, deputy minister of foreign trade relations, and deputy foreign minister. During their stay in Indonesia, the DPRK guests will hold talks with government leaders as well as members of the Indonesian Chamber of Commerce and Industry.

Before visiting Indonesia, the DPRK guests will visit Thailand first. They will proceed to Malaysia when their visit to Indonesia ends on 4 February.

Laos

Souphanouvong Attends Chinese Acrobatic Show

BK2901121691 Vientiane KPL in English 0921 GMT 29 Jan 91

[Text] Vientiane, Jan 29 (KPL)—President Souphanouvong of the Lao PDR [People's Democratic Republic] and his wife last night enjoyed an acrobatic performance by the visiting team of the People's Republic of China.

The last night performance was the last one given to Vientiane public.

Today, the team headed for Savannakhet on its performance tour there for five days.

Souphanouvong Attends Funeral for Sali Vongkhamsao

BK2801141591 Vientiane Domestic Service in Lao 1200 GMT 28 Jan 91

[Excerpt] The cremation ceremony for Sali Vongkhamsao, member of the Lao People's Revolutionary Party [LPRP] Central Committee Political Bureau and Secretariat, vice chairman of the Council of Ministers, member of the Supreme People's Assembly [SPA], and minister of economy, planning, and finance, was officially organized at That Louang grounds in Vientiane capital this afternoon.

Attending the cremation ceremony were Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers; Nouhak Phoumsavan, member of the party Central Committee Political Bureau, chairman of the SPA, and chairman of the committee in charge of organizing the funeral; Souphanouvong, member of the party Central Committee Political Bureau and president of the Republic; Phoumi Vongvichit, member of the party Central Committee Political Bureau, acting president of the Republic, and chairman of the Lao Front for National Construction [LFNC] Central Committee; Khamtai Siphandon, member of the party Central Committee Political Bureau and Secretariat, vice chairman of the Council of Ministers, and minister of national defense; Phoun Sipaseut, member of the party Central Committee Political

Bureau, vice chairman of the Council of Ministers, and minister of foreign affairs; Sisomphon Lovansai, member of the party Central Committee Political Bureau; Sisavat Keobounphan, member of the party Central Committee Political Bureau and Secretariat, secretary of Vientiane Municipality Party Committee, and chairman of the Administrative Committee of Vientiane Municipality; Saman Vi-gnaket, member of the party Central Committee Political Bureau and secretary and minister of education and sports; Maichantan Sengmani, member of the party Central Committee Political Bureau and secretary and head of the Party-State Control Board; and alternate members of the party Central Committee Political Bureau and secretary, members and alternate members of the party Central Committee, ministers, deputy ministers, members of the Supreme People's Assembly, members of the LFNC Central Committee, representatives of mass organizations, cadres from different ministries and agencies, and a large number of relatives and friends of the deceased.

Also attending the official cremation ceremony were: a Vietnamese delegation led by Dong Sy Nguyen, Politburo member of the Vietnamese Communist Party Central Committee and vice chairman of the SRV Council of Ministers; a Cambodian delegation led by Say Chhum, Politburo member of the Kampuchean People's Revolutionary Party and vice chairman of the Council of Ministers of the State of Cambodia; a Chinese delegation led by General (Goh Senjo), vice chairman of CPC Central Committee Political Advisory Board; and a Thai delegation led by Dr. Athit Urairat, foreign minister of the Kingdom of Thailand; members of the diplomatic corps; and representatives of international organizations in Laos. [passage omitted]

Cambodian Officials Send Condolences on Sali

BK2801115891 Vientiane KPL in English 0922 GMT 28 Jan 91

[Text] Vientiane, Jan 28 (KPL)—Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee, chairman of the Council of Ministers of the Lao PDR [People's Democratic Republic] and other Lao leaders have received a joint message of condolences on the death of the Lao Vice Chairman Sali Vongkhamsao from Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and other Cambodian party and state leaders.

The message described the virtue and outstanding revolutionary scores of H.E. [His Excellency] Vongkhamsao in his contribution to the national cause since the resistance period against colonialism and imperialism as well as during the national development at the time of peace.

The Cambodian leaders expressed their deep condolences over the death of H.E Sali Vongkhamsao and shared sadness with the Lao leaders and people as well as with the bereaved family.

Thai Minister Meets SRV, Cambodian Leaders

BK2901024391 Bangkok BANGKOK POST in English 29 Jan 91 p 2

[Text] Foreign Minister Athit Urairat told Vietnamese Deputy Premier Dong Sy Nguyen in Vientiane yesterday he intended to visit Hanoi before Vietnamese Prime Minister Do Muoi's visit to Thailand, a Foreign Ministry spokesman said.

Dr Athit yesterday led a Thai delegation to attend the funeral of Laotian Deputy Prime Minister Sali Vongkhamsao, who died last week.

Delegates from China, Vietnam and Cambodia also attended the funeral.

In his informal meeting with Mr Dong, Dr Athit said he intended to visit Hanoi to prepare for Prime Minister Do Muoi's visit to Thailand.

No date has been fixed yet for the Vietnamese Premier's visit.

Dr Athit urged Vietnam to help push for a quicker implementation of the Cambodian peace plan.

Dr Athit also met Cambodian Deputy Prime Minister Say Chhum. He asked both Vietnam and Cambodia to help push for serious implementation of the Mekong River basin development plan.

In a meeting with Laotian Foreign Minister Phoun Sipaseut, Dr Athit said apart from the planned Australian-funded Kangaroo Bridge linking Nong Khai and Vientiane, Thailand and Laos should have more bridges across the Mekong River and one of them should be between Mukdahan and Savannakhet.

He also said the two countries should promote land transportation after the bridges are built in order to boost economic and trade ties in the region.

Both sides agreed that tourism should be promoted on a wider scale in Laos, particularly at the former capital of Luang Prabang.

Dr Athit said Thailand would welcome Laotian medical personnel to undergo studies and training at Chiang Mai University.

Concerning the border conflict between Thailand and Laos, Dr Athit said he believed the problem could be solved on the basis of sincerity.

Visit by Hanoi Party Committee Delegation Summed

BK2901103391 Hanoi Domestic Service in Vietnamese 1100 GMT 28 Jan 91

[Text] A delegation of the Hanoi municipal party committee led by Comrade Pham The Duyet, secretary of both the Party Central Committee and the Hanoi municipal party committee, arrived in Vientiane on 14 January for a one-week visit to Laos.

During the visit, the delegation held talks with the delegation of the Vientiane municipal party committee led by Comrade Sisavat Keobounphan, member of the Lao People's Revolutionary Party Central Committee Political Bureau and secretary of the Vientiane municipal party committee.

The two sides assessed the results of cooperation between the two municipalities in the recent past and exchanged views on the situation production in the two municipalities, especially in the domains of agriculture, industry, handicrafts, and tourism.

SRV Defense Chief Sends Greetings Message

BK2501115591 Vientiane Domestic Service in Lao 0430 GMT 23 Jan 91

[Greetings message from General Le Duc Anh, SRV national defense minister, to General Khamtai Siphandon, national defense minister of the Lao People's Democratic Republic, on occasion of the 42d founding anniversary of the Lao People's Army—date not given]

[Text] To Comrade General Khamtai Siphandon, minister of national defense of the Lao People's Democratic Republic, in Vientiane:

Respected Comrade Minister, on the occasion of the 42d founding anniversary of the Lao People's Army [LPA], on behalf of all cadres and combatants in the Vietnamese People's Army and in my own name, I would like to extend my wholehearted congratulations to you, comrade, and, through you, to all cadres and combatants in the fraternal LPA.

Under the leadership of the Lao People's Revolutionary Party [LPRP], the LPA has incessantly grown stronger and bigger. Over the past 42 years, the LPA and the entire multiethnic Lao people have overcome numerous trials and obstacles, smashing all multifaceted schemes of destruction of the enemies, securely safeguarding the revolutionary fruits, creating glorious deeds in the tasks of national defense and national construction, and contributing to the defense and preservation of peace in Southeast Asia and the world.

We are very proud to have the LPA as a faithful friend. We give our pledge to you, comrades, that we will cooperate with you to further increase and strengthen the special solidarity between our two countries, thus making it bear more and more fruit forever.

We wish that the multiethnic Lao people and the LPA win yet greater new victories in fulfilling their glorious revolutionary tasks and score glorious successes in implementing the resolutions adopted at the Fourth LPRP Congress.

On this occasion, we would like to extend our profound gratitude to the Lao party, government, multiethnic people, and the LPA for rendering support and assistance to the Vietnamese revolution both in the past as well as at present.

May the special solidarity and friendship and all-around cooperation between the peoples and armies of our two countries be further consolidated and developed continually.

I wish you, Comrade Minister, good health and new achievements in your noble tasks.

I beg to extend my congratulations with great respect.

[Signed] General Le Duc Anh, national defense minister of the SRV

Soviet Film Delegation Meets With Minister

BK2601101891 Vientiane KPL in English 0919 GMT 26 Jan 91

[Text] Vientiane, Jan 26 (KPL)—Laos and the Soviet Union will step up their bilateral cooperation in film production for 1991. This was stated at a meeting held here between the visiting Soviet delegation of the cinematographic committee and Deputy Minister of Information and Culture of Laos Somnit Vanhkham.

The sides discussed the exchange of delegations and films on the occasion of the celebration of important events in each country. The sides will also exchange technicians in film production, by which the Soviet side will provide aid in the film production.

Philippines

Further on Bombing of Radio Stations

HK2801133191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 28 Jan 91

[Text] Two radio stations were bombed in separate incidents in Bicol and Mindanao last night, causing little damage and no casualties. DZRC in Legaspi City, owned by the Philippine Broadcasting Corporation and DXND in Kidapawan, Cotabato, owned by the Notre Dame Broadcasting Corporation, were both bombed. According to a report, the buildings housing the two radio stations sustained damage but no one was reported injured. The suspects, who hurled a grenade at DZRC in Legaspi City, were reportedly riding in a Hiace van, but have not yet been identified by authorities. The suspects in the bombing of DXND in Kidapawan were riding a motorcycle and they threw several grenades into the building.

The authorities are presently conducting investigations into the two incidents. Spokesmen for the two radio stations said the motive behind the bombings may be attributed to their crusade against illegal activities in their respective areas.

'Thousands of Muslims' Hold Pro-Iraq Rally

HK2901085991 Hong Kong AFP in English 0849 GMT 29 Jan 91

[Text] Marawi, Philippines, Jan 29 (AFP)—Thousands of Filipino Moslems demonstrated and burned the U.S. flag in this southern city Tuesday to show their support for Iraqi President Saddam Husayn.

The rallyists, estimated by some witnesses to number 10,000, denounced the "destruction of the Moslem nation of Iraq" and called for an immediate pullout of the U.S.-led multinational force battling Baghdad.

The rally was the first major pro-Iraq demonstration in the Philippines, which hosts the largest U.S. bases overseas, since the August 2 Iraqi invasion of Kuwait. Demonstrators burned a U.S. flag before dispersing peacefully.

Moslems account for some five million of the Philippines' primarily Catholic population of 61 million. Most of the Moslems live here on the southern island of Mindanao; Marawi is predominantly Moslem.

The rebel Moro National Liberation Front (MNLF), which is campaigning for a separate Moslem state in Mindanao, has been silent on the Gulf war.

Philippine officials say the Saudi Arabia-based MNLF is wary of offending any of the Arab protagonists.

In Manila, five Philippine senators filed a resolution Tuesday urging President Corazon Aquino to send a volunteer military engineering battalion to assist the multinational task force fighting Iraq in the Gulf.

"A highly visible Philippine military participation in the Gulf region shall reinforce our stature in the international community and strengthen future diplomatic initiatives," the ruling coalition senators said in the resolution.

No immediate reaction was available from Mrs. Aquino, who has ruled out sending Philippine combat troops to the Gulf. Manila dispatched a 200-member medical mission to Saudi Arabia in December.

The resolution states that a Philippine military deployment to the Gulf would mean repaying "a debt of gratitude" to governments hosting hundreds of thousands of Filipino contract workers in the Middle East.

The 23-member Philippine Senate has yet to deliberate and agree on the resolution to be sent to Mrs. Aquino.

The Philippines sent a military contingent to perform civic action in what was then South Vietnam during the Vietnam War.

Vice Mayor Comments on U.S.

HK2901132591 Manila Radio Veritas in Tagalog 1300 GMT 29 Jan 91

[Text] In Marawi, about 15,000 Muslims burned a U.S. flag during a four-hour rally. As they chanted anti-U.S. slogans, the Muslims called for the withdrawal of the U.S.-led multinational forces in the Persian Gulf. Marawi Vice Mayor (Umbawa Badun) stressed that the United States is fighting only for its own interests and not for the benefit of the Arab world or of Kuwait. The majority of the Muslims want the declaration of a cease-fire to make way for a peaceful solution to the Gulf crisis.

Official: Terrorists Use GDR, Mauritian Passports

HK2901093191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Jan 91

[By Rey Arquiza]

[Text] Immigration commissioner Andrea Domingo said that terrorists are using East German [GDR] passports and Mauritian documents to deceive authorities when entering the Philippines. East German passports have become collectors' items following the reunification of West and East Germany, while authorities in Mauritius announced that about 50 passports had been lost and may be in the hands of terrorists.

Commissioner Domingo said the Commission for Immigration and Deportation received an advisory from the international intelligence community advising them to take precautions in relation to Iraqi nationals attempting to enter Manila to sow terror in support to Saddam Husayn's goal to export terrorism to other countries. Domingo stated that almost every day, Iraqis and Palestinians claiming to be tourists are being segregated by immigration officers at the Ninoy Aquino International Airport [NAIA]. Domingo added it is difficult to believe that some Iraqi nationals, who had previously stayed in the country as students but had left long ago, were coming back as tourists. They are immediately sent back and not allowed to enter the Philippines. Immigration officers at the NAIA and its subsidiary points in the provinces were provided with the latest profiles of foreigners believed to be terrorists, to prevent them entering the Philippines.

Intelligence Report on Rebel Gulf Role Submitted

HK2901093791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Jan 91

[By Restie de Quiros]

[Text] An intelligence report submitted to PNP [Philippine National Police] Director General Cesar Nazareno stated that thousands of combat uniforms for members of the Iraqi regular forces had been purchased in the country. A copy of the report seen by DZRH at the PNP chief's office stated that over 100,000 pieces of army uniforms were designed and bought in the Philippines.

The report also said that the banned Communist Party of the Philippines [CPP], through NDF [National Democratic Front] representative Luis Jalandoni, a former priest, met with the second highest leader in Iraq during his state visit here prior to the outbreak of the Gulf war.

The report added that the NDF international liaison committee representative is opposed to Iraq's occupation of Kuwait, but later supported the Iraqi Government move, after he was told that the declaration of war against the U.S.-led multinational forces and the occupation of Kuwait are meant to fight U.S. imperialism.

Despite the report's failure to cite the CPP-New People's Army's [NPA] support for Saddam Husayn, both the Armed Forces of the Philippines and the PNP leadership took protective measures to preempt terrorist activities by the NPA. It is recalled that authorities reported that a radio station in Bicol region was bombed by suspected communist rebels yesterday. A statement supporting Husayn was found at the radio station in Legaspi City, together with a red flag believed to be owned by the CPP. The police and military have not determined what type of bomb was used. Security has been tightened in places suspected of being terrorist targets. Nazareno said the explosion of a bomb in a radio station in Region 5 may have been an indication that Jalandoni supports the anti-imperialist activities of Iraq.

Expelled Iraqi Envoy Leaves 'Trail of Deception'

HK2901081291 Manila THE MANILA CHRONICLE in English 29 Jan 91 p 3

[By staffmember Manny Mogato]

[Text] Expelled Iraqi Embassy First Secretary Muwafak al-'Ani left a trail of deception, terror plots and espionage in the country, a senior national police official said.

Local law enforcers, in coordination with the International Police (Interpol), discovered that Al-'Ani was orchestrating a massive propaganda and disinformation campaign against the Americans in the country since Iraq's invasion of Kuwait last August.

Three months of surveillance enabled policemen to gather evidence showing Al-'Ani urging Filipino businessmen with contracts in Baghdad to finance a "media blitz" against the U.S. and other members of the multinational forces in the country.

Police are also investigating reports that Al-'Ani had begun recruitment of ex-soldiers and former Muslim separatist guerrillas for "special contracts" with the Iraqi government for "jobs" in Baghdad and Manila.

A Camp Crame source said Al-'Ani's link to the failed bombing of the Thomas Jefferson Cultural Center and Library in Makati capped his illegal activities in the country.

The source said Al-'Ani called a meeting at the Iraqi embassy during the last week of November to prepare a series of coordinated mass actions and propagana campaign in Manila against U.S. involvement in the Gulf conflict.

In October, he contacted a Filipino businessman with trade interests in Baghdad to "raise money for the media blitz."

He asked the Filipino businessman to collect "donations" from business firms with transactions in Baghdad to finance the operations.

At least four local newspapers and a tabloid were targeted by Al-'Ani to be used as "mouthpiece" for anti-American attacks in the press.

Using Filipino employees of the Iraqi embassy, he also planned to distribute manifestos and leaflets attacking U.S. involvement in the Gulf crises and explaining the Iraqi position on the conflict.

He also used as conduits at least 38 local employment agencies accredited by the Iraqi embassy to recruit "ex-soldiers, former Muslim rebels and other persons who have military training" for "special contracts" here and in Iraq.

Reports about the Iraqi embassy recruitment, promising $10,000 salary in Baghdad, have circulated in Sampaloc, Manila, but many residents took it as a joke.

Military intelligence, however, revealed that at least 60 applicants had been evaluated by the Iraqi embassy for special work in Baghdad. The applications of the Filipino workers were being processed by a recruitment agency owned by a close friend of Al-'Ani, the military added.

Al-'Ani also had alleged contacts with leaders of the Marcos loyalist movement and with some left-leaning organizations.

Intelligence reports said he had a separate meeting with the two anti-government groups and promised to finance their anti-U.S. bases mass actions in Manila.

Officials Warn of 'Fallout' From Gulf Situation

HK2901054391 Manila THE MANILA CHRONICLE in English 29 Jan 91 pp 1, 6

[By staffmember Johanna Son]

[Text] The worst is yet to come.

This was the warning given to senators yesterday by defense and security officials, who said the "fallout" from the Gulf conflict would increase once ground warfare to free Kuwait begins.

The officials, in assessing the situation on the 12th day of the Gulf war, agreed that the government had to update its contingency plans on oil supply, foreign exchange and security.

"There is no basis for complacency, or a back-to-normal feeling just because there is oil," Defense Secretary Fidel Ramos told the joint hearing by the Senate committees on defense, and justice and human rights.

National security adviser Rafael Ileto warned that a "more serious crisis" would unfold once the U.S.-led coalition begins ground assault to retake Kuwait.

Ileto said ground offensive would probably start by the end of January and would last two months. The air strikes by allied forces are merely a "softening-up exericse" and "the really bloody war will begin on the ground," he added.

Ramos and Ileto said oil supply and prices would remain unstable because a ground offensive would increase the chances of more oil fields getting hit, aside from prolonging the war.

"The international situation is bound to get worse and there will still be fallouts on the Philippines," Ramos said. "If we have a typhoon No. 1, there is a signal No. 3 coming."

The two officials, however, gave assurances that the government's earlier contingency plans have so far been, "by and large, very accurate."

They said the country should begin preparing for a post-war policy toward the Middle East countries.

"The best posture is to watch carefully and to put Philippine government observers in key areas so we get the best possible picture," Ramos said.

Sen. Ernesto Herrera urged President Aquino to call a multisectoral, national summit to draw up an economic plan to cope with the effects of a prolonged Gulf conflict.

The prospect of a worsening Gulf situation prompted Sen. Ernesto Maceda to urge Labor Secretary Ruben Torres to evacuate 90,000 Filipinos in eastern Saudi Arabia, especially since ground warefare is imminent.

Torres, however, said Filipinos there "would not be affected that much" by ground battles because such fighting would most probably take place in Kuwait and Iraq.

He reported that as of Sunday, there were 3,338 Filipino evacuees in the Middle East, most of them in Saudi Arabia.

On the proposal to send a Philippine armed contingent to the Gulf, Ramos and Maceda agreed that a non-combatant group, probably an engineering brigade, could be sent to the Middle East after the Gulf war instead.

Maceda also called on Congress to discuss the issue of whether the Philippines should send AFP [Armed Forces of the Philippines] units to the Gulf because he expected the United Nations to ask members to contribute to a peace-keeping force to guard Kuwait's borders after the war.

"But that's maybe later on and it would need legislation," Ramos explained, adding that government policy is still limited to the sending of a 200-medical [as published] mission to Saudi Arabia. Besides, he said, the country needed its soldiers for internal security, especially amid threats of internatioanl terrorism by sympathizers of Iraqi President Saddam Husayn.

Ramos said here had been 19 terrorist incidents in 14 countries since the Gulf war began on Jan. 17, and that threats have been reported worldwide, including the Philippines.

Japanese Military Aircraft Allowed Overflights

HK2901064991 Manila BUSINESS WORLD in English 29 Jan 91 p 10

[By Jose G. Ebro]

[Text] The Philippines will allow a Japanese military aircraft to overfly its territory on route to the Persian Gulf, Foreign Affairs Undersecretary Manuel Yan yesterday disclosed.

Japan had sought Manila's permission in connection with the Prime Minister Toshiki Kaifu's decision to deploy Japanese Self-Defense Forces aircraft to evacuate refugees from the Gulf conflict. "We gave our permission last week," Mr. Yan said.

Last year, Foreign Affairs Secretary Raul Manglapus opposed even the symbolic participation of the Japanese Self-Defense Forces in the coalition forces arrayed against Iraqi, warning that the Southeast Asian nations would see that as a move towards resurgent militarism.

Yesterday, Mr. Manglapus refused to comment on the matter.

An Asian diplomat wondered whether this could be a manifestation of President Aquino's "unqualified support" for Desert Storm. "The Americans oviously want the Japanese involved not just infinancial terms. Maybe the position now should be taken in that light," he mused.

U.S. Pressure

A ranking DEFA official observed that the Japanese "are under tremendous pressure from the Americans. They feel that Japan has equally as heavy a stake in seeing to it that the supply of Mideast oil is not compromised."

"However," he pointed out, "the evacuation of refugees is obviously a mission which can be undertaken by civilian aircraft." The official said that if Japan wished to assist evacuating refugees, "they could contribute more heavily to the International Organization on Migration's program."

There's no need to use military aircraft," he remarked, asking, "Whether this might indeed be the first step towards Japan's projecting a military presence beyond its self-imposed thousand-mile defense radius?"

Aquino Thanks Kaifu for Release of Loan

OW2301074191 Tokyo KYODO in English 0708 GMT 23 Jan 91

[Text] Manila, Jan. 23 KYODO - Philippine President Corazon Aquino on Wednesday thanked Japanese Prime Minister Toshiki Kaifu for his commitment to release soon an allocation of 358 million dollars in the ASEAN-Japan Development Fund (AJDF) and 280 million dollars from the 17th yen loan package.

In a nationwide television address, Aquino said the move of Tokyo to disburse the fresh funds "is a timely response" on the part of the Japanese Government to the Philippine efforts to solve problems spawned by the Persian Gulf war.

Aquino received a letter from Kaifu Wednesday informing her that Japan would hasten the disbursement of 358 million dollars in AJDF money and 280 million dollars in the program component of the 1 billion dollar 17th yen package.

A dispute over the interest rates to be used in relending the AJDF funds to local commercial banks delayed the disbursement of the 2 billion dollar AJDF unveiled by former Prime Minister Noboru Takeshita during the summit of Association of Southeast Asian Nations (ASEAN) leaders here in December 1987.

The Japanese Government through the Overseas Economic Cooperation Fund and the Export-Import Bank of Japan will disburse the loans to the Philippine Government which will in turn lend the funds out through the Development Bank of the Philippines for the industrial sector and the Land Bank of the Philippines for the agricultural sector.

As to the 280 million dollars from the yen loan package, 100 million dollars will be used for improvements in the road and transport sector, which is also being cofinanced by the Asian Development Bank (ADB), 100 million dollars for the environmental sector being cofinanced by the World Bank, and 80 million dollars in a fisheries sector loan, also cofinanced by the ADB.

The release of the 280 million dollars hinges on the approval of the Board of Directors of the International Monetary Fund (IMF) of the memorandum of economic policy submitted by Manila last week following the conclusion of an 18-month standby arrangement which will pave the way for the release of 700 million dollars of loans from the IMF.

In response to Kaifu's request that the Philippines undertake fiscal and monetary reforms being requested by the IMF, Aquino said her government "will give due stress" to the economic stabilization measures spelled out in the program that will be endorsed to the IMF Board.

IMF approval is expected on February 20, which in turn will lead to the holding of the second pledging session of the Philippine aid plan, an ambitious multibillion dollar scheme aimed at resuscitating the Philippine economy. The second pledging session is expected to be held February 24-26 in Hong Kong.

Tokyo hosted the first pledging session of the aid plan, raising about 3.5 billion dollars in commitments, with Japan pledging half of the said amount.

Air Force Reports Intrusion of Soviet Planes

HK2901060191 Manila PHILIPPINES NEWSDAY in English 29 Jan 91 p 3

[By Dario B. Agnote]

[Text] Soviet planes have frequently intruded into the country's air space last year, an Air Force radar monitoring system official in Northern Luzon said over the weekend.

Lieutenant Colonel Alfonso Sorcera, deputy commanding officer of the Paredes air station at Barangay Sapat, Pasuquin, ILocos Norte, reported to Defense Secretary Fidel V. Ramos during the latter's visit there Sunday that two Soviet planes were monitored to have broke into the country's air space last December.

Sorcera said the "non-hostile" USSR bomber planes were said to have come from Cam Ranh Bay in Vietnam and on the way to Vladivostok. He added that the planes intruded in the country's air space to cut short travel time.

The Paredes air station houses the 581st aircraft control and wing Squadron of the Philippine Air Force. It has radar communications similar to a microwave radio and ground to air communication facility capable of conducting air surveillance of the country's air space. The Air Force activated the air station November last year, after about three years of inactivity.

The air station, the only strategically placed air station in the north, was deactivated in 1987 after communist insurgents raided the area and held hostage 11 soldiers and civilians. The report said the guerillas released all the hostages seven months later.

Due to its proximity to other countries like Vietnam and Taiwan, the air station has monitored at least 3,141 "friendly tracks" for the past three months alone. The air station is about 210 miles from Taiwan and 192 miles from Clark air base.

Malacanang Defends Visit by Taiwan Officials

HK2801134991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 28 Jan 91

[Text] Malacanang defended a visit and a meeting between Taiwan officials and President Aquino, earlier today. President Aquino, through presidential spokesman Adolf Azcuna, said the meeting organized by some lower house representatives including House

Speaker Pro Tempore Antonio Cuenco, was not a violation of the One-China policy.

Azcuna emphasized that trade relations could not be construed as a violation of the government's One-China policy or to the policy of only recognizing the PRC.

The president met with the 45-man delegation from Taiwan and this is expected to stir up protests from the PRC. The meeting was inserted in the president's official schedule and no media members were allowed to cover the event. Some Malacanang officials also prohibited any interviews with the visiting Taiwanese officials.

Malaysia Seeks Closer Bilateral Cooperation

HK2201034191 Manila THE MANILA CHRONICLE in English 22 Jan 91 p 3

[By Bert Castro]

[Text] Malaysia yesterday sought bilateral cooperation with the Philippines in its initiative to form a united southeast Asian economic bloc in the forthcoming Uruguay trade negotiations between the developed and the Third World countries.

The proposal was made by Prime Minister Mahathir and was relayed to President Aquino by Malaysian Trade Minister Datuk Sri Rafidah Aziz during their meeting yesterday.

Aziz stressed the desire of Mahathir to muster "collective strength in this part of the region, to strategize common positions and common strategies" during the next round of Uruguay negotiations in Geneva this month.

The negotiations will include economic cooperation, assistance and existing trade barriers between developed and developing countries.

Trade and industry Secretary Peter Garrucho, who accompanied Aziz to Malacanang, said Malaysia had been consulting with the heads of Singapore, Thailand, Indonesia and Brunei on the need for an Asian economic bloc.

Aziz said President Aquino's reaction to the proposal was "very positive." He said he will continue discussing the details of the economic bloc with Garrucho.

Aziz declined to elaborate on the structure and policies of the Asian economic grouping but said it "would ensure that the Uruguay negotiations would move forward to a satisfactory resolution and to the satisfaction of all participants."

Garrucho said the details of the Asean trade group will be hammered out in another meeting of the economic ministers of the Association of Southeast Asian Nations (Asean) next month. The Asean is comprised of the Philippines, Malaysia, Indonesia, Singapore, Thailand and Brunei.

The meeting will also explore short- and long-term economic cooperation among Asean countries. Aziz proposed the meeting be held in Kuala Lumpur. He said he was hopeful that a united Asean economic bloc would achieve "some of our economic objectives particularly on the trade side."

The proposal was largely prompted by the difficulties met by developing countries during the initial round of the Uruguay negotiations in Brussels.

After the meeting, Third World countries agreed to explore the possibility of forming an economic bloc among themselves to protect their economic interests, Garrucho said.

President Aquino Pledges To Strengthen Military

HK2801153391 Manila MANILA BULLETIN in English 28 Jan 91 pp 1, 13

[By Fred Lobo]

[Text] President Aquino pledged yesterday to strengthen the military establishment through the improvement of the promotion system for military officers and other structural and doctrinal reforms.

The President said that under the proposed "attrition" promotion system being worked out with Congress, the tenure of full colonels and generals will have a limit and they will be required to give way to younger officers if they do not perform well and get promoted.

The strengthening of the Armed Forces of the Philippines (AFP) and the reforms to be pursued were outlined last night by the President, Lt. Gen. Rodolfo Biazon, new AFP chief of staff, and retired Gen. Renato de Villa, former AFP chief of staff, on the weekly TV-radio program "Magtanong sa Pangulo [Ask the President]."

In the same program:

1. Biazon said the New People's Army (NPA), reported to be 25,000-strong during the Marcos years, has been reduced to 17,250, primarily due to the national reconciliation development program.

2. De Villa said the AFP's self-reliance development program for arms and other military equipment should be pursued to meet internal needs and to provide employment opportunities.

Mrs. Aquino said the government will continue strengthening the Armed Forces by instilling basic values in the soldiers and pursuing reforms like in the area of promotion.

The President said under the proposed law being worked out with Congress, an attrition system will be adopted and that the promotion of military officers will rely heavily on performance and merit, giving even younger officers the chance to get promoted.

De Villa said consultations on the proposed measure have been made with Speaker Ramon Mitra.

Another meeting is also being arranged with Senate President Jovito Salonga to ensure its passage in Congress, he said.

De Villa said the proposed bill calls for a maximum tenure of five years for brigadier generals, 10 years for colonels, and three years for major and lieutenant and four-star generals.

"The whole idea is to keep the flow of officers from below continuous and smooth and have the best and the brightest," De Villa said.

Biazon said the improved promotion system will help strengthen the military establishment.

He said the internal reforms started by Defense Secretary Fidel Ramos and De Villa will be pursued.

Aquino Speaks at National Police Inauguration

HK2901052191 Quezon City Radyo ng Bayan in Tagalog 0140 GMT 29 Jan 91

[Speech by President Corazon Aquino at Camp Crame on the occasion of the inauguration of the Philippine National Police and the phasing out of the Philippine Constabulary-Integrated National Police—live in English]

[Text] Director General Cesar Nazareno, Speaker Ramon Mitra, Secretary Luis Santos, Lieutenant General Rodolfo Biazon, your excellencies of the diplomatic corps, the honorable members of the Senate and the House of Representatives, the officers, men and women of the Philippine National Police [PNP], distinguished guests, my dear countrymen [last three words in Tagalog]:

A month ago I signed into law Republic Act 6975 creating the Philippine National Police under a Department of the Interior and Local Government in keeping with the Constitution's mandate for a police force that is national in scope and civilian in character. The retirement today of the Philippine Constabulary-Integrated National Police [PC-INP] colors and the hoisting of the new PNP colors are not simply rights of passage. We cannot regard as trivial the constabulary's and the policeman's traditions of earnest service to country and people—90 years for the PC and 25 years since municipal and city policemen were nationalized under the Napolcom [National Police Commission].

There is a sadness in seeing these honorable institutions go. There are also the anxieties that come with anything new. But even proud traditions must give way to better ones. Thus, we must all willingly bear the difficulties that come with change. Those who perceive themselves as having been stripped of military might may look to history to understand that their long record of heroism has its roots in civilian service. The Philippine Constabulary was conceived to function as a civilian outfit, an insular police force set up by virtue of Organic Act No. 175 as enacted by the Second Philippine Commission on July 18, 1901. The military titles came later. The constabulary turned military only in times of emergency, as in the Second World War or during martial law.

It is, therefore, understandable why PC officers initially bore the civilian titles of inspector just as the middle level officers of the PNP are called now. Following the full integration of the National Police with the Philippine Constabulary in the seventies, the rate of arrest of criminal elements increased as the crime rate dropped, 25.6 percent lower as of last year. Throughout the years of its existence, the PC-INP had helped us enjoy this atmosphere of stability as it more successfully integrated its approach to crime suppression and crime prevention by involving various sectors of the community. The joint command waged war against organized and syndicated crime groups, especially those involved in terrorism, drug trafficking, robbery and holdup, carnapping, counterfeiting, smuggling, and gambling. It also extended support to national development programs, particularly in dissident affected provinces and to unified, combined, and specified command activities of the AFP [Armed Forces of the Philippines].

The birth of the PNP should reassure us that the constable and the policeman invariably seen everywhere are not only peacekeepers but also peace builders. They built peace in the hearts of our countrymen and laid their lives on the line to protect their fellow man. They were among those who spearheaded relief operations in times of distress; extinguished fires; built roads, bridges, schoolhouses, and markets. And when there were threats to the duly constituted government, the constable and the policeman stood tall, ready to secure freedom and government. Now and in the future they will continue to do so under the PNP. Women, we will not look for two men for we will have the qualities of both in one man. Today we salute the constable of the PC and the policeman of the INP one last time for the many things they have done for the Filipino people. Through this unified command, whose colors are being retired, go the gratitude and the appreciation of the entire Filipino nation. Today also I ask everyone here to look at the future of the new-born Philippine National Police with optimism and promise. Expectedly there will be birth pains, but out of these pains should arise a united PNP from the personnel of the former Philippine Constabulary and the Integrated National Police.

There is a need to put aside past prejudices and embrace the new police organization as one distinct from either the PC or the INP. I expect the personnel of the PNP to be imbued with a new sense of purpose and commitment. I ask all of you, therefore, to view this day as the start of an opportunity for better service and a chance for professional growth.

The feeling of oneness and a sense of belonging are essential to the growth and development of an organization like the PNP. Openness and objectivity are necessary to overcome whatever differences of attitude and attachments to the past may have lingered. For unity to thrive it is imperative that change should come from within, not so much the change of men as the change in the men in order to achieve a truly responsive, better disciplined, more professionalized national civilian police force.

The PNP network will draw strength initially from the officers and members of the existing police force and the PC, including the Narcotics Command and the Criminal Investigation Service. It has also absorbed the National Action Committee on AntiHijacking of the Defense Department, the Philippine Airport Security Command, and the police functions of the Coast Guard and the National Police Commission. In due time the PNP will evolve its own theme: culture, values, vision, and symbol. This process should take place in an atmosphere of trust, understanding, and tolerance.

My vision of the PNP is that of one force united in goals and abundant in achievement. A fortress of internal defense unyielding to the elements of crime. The PNP must carry on and even exceed the trail of success set by the PC-INP. I share the nation's hope that the PNP, under the stewardship of Major General Cesar Nazareno, will enforce all laws for the protection of life, liberty, and property, maintain peace and order, and ensure public safety through the uncompromising exercise of its general powers to enforce the law and conduct lawful arrests, searches, and seizures.

To all of you, the members of the PNP, your countrymen are proud of your past exploits and accomplishments. Your contrymen who dream of long-lasting peace and quiet in the metropolis as well as in the countryside look to you to give them this elusive dream. This is the challenge you cannot turn your back on. On behalf of the Filipino people, I thank our awardees today, those who have made possible the creation of this truly civilian police force and those who have brought honors to the colors we are about to retire. We are especially grateful to the authors of the PNP provision in the Constitution. The honorable commissioners Teodulo Natividad who is also Napolcom vice chairman, Blas Ople, Regalado Maambong, and Rustico de los Reyes. And the principal honors of the PNP law: Senators Ernesto Maceda and Aquilino Pimentel, and Congressmen Rodrigo Gutang and Jose Cojuangco Jr.

Today we face the light of a new day. I urge you, men and women of the PNP, to heed that renewed call for unity and dedication to duty and service. I am certain that you will not fail the Filipino people. Long Live the Philippine National Police. [Last sentence in Tagalog]

Manglapus Interviewed on Bases Talks With U.S.

HK2901061991 Manila PHILIPPINE DAILY INQUIRER in English 29 Jan 91 p 8

[Text] Foreign Secretary Raul S. Manglapus, chief Philippine negotiator in the bases talks, was interviewed by the INQUIRER on the Philippine stand on the bases days before he decided to cancel his Washington trip due to the Gulf war.

In the interview, Manglapus discussed, among other things, the implications of his trip to Washington, the still unresolved issues in the talks and the alleged pressure exerted on the Philippine panel.

Following are excerpts from the interview:

Q: There have been reports that the Philippine panel which you head is apparently willing to accept the U.S. proposal for a 10-12-year "phasedown period" on the bases provided the price is right. Is there truth to this?

A: Not even the Americans are talking about the 10-12 years. They did in the beginning. But now, they're no longer talking about that. They're studying the Philippine position.

Q: Which one, the five-year "terminal phaseout"?

A: Yes. That's five to seven. We have not made it secret from the very beginning that the Philippines is looking at five. The longest we have for the notice is seven but our position will be at least five.

Q: Is that five-year phaseout still negotiable?

A: We're talking about it.

Q: So that can still be extended up to eight or probably 10 years?

A: No, no. As I said, even the Americans are no longer talking about that, the 10-12 years.

Q: Could you be more specific? Are you saying that the members of the U.S. panel have already abandoned their 10-12-year position on the duration of the phaseout period?

A: Why should we talk about 10 years when even they are not? I'm not suggesting it anyway. But I don't know whether we're still willing to accept their position when even the Americans are no longer talking about it.

Q: Some sectors did not seem to appreciate what you did in the 1988 Manglapus-Shultz Agreement. At that time, there was a deadlock in the compensation discussions in Manila but when you went to Washington, all of a sudden there was a meeting of minds and you signed the agreement.

A: Of course. Kung hindi ako napapunta sa Washington, malamong hindi nagkaroon ng satisfactory compensation package. (If I had not gone to Washington there would have been no satisfactory compensation package.)

Q: Including the "best efforts" pledge?

A: The "best efforts" is something that is universal in all executive agreements signed by the Philippines with the U.S. and signed by the U.S. with other countries. Because in an executive agreement, the only one who is committed is the executive. And in the presidential system, that's the way it works. When the President signs, all he can say to you or promise you is that he will do his best to have the Congress agree with him. But if it's a treaty, that's different because once it is ratified by the Senate, it becomes part of the law of the land.

Now, of course, admittedly, even in a treaty, when you take money out of the treasury, there has to be an appropriation process. But that is different from saying that there is no amount in a treaty if there is no commitment on the part of the congressman. [sentence as published] In a treaty, the Congress is committed. If I had not met with these people in Washington, there would have been no $1.2- billion package.

Q: What if the U.S. would insist on a best-efforts pledge?

A: It cannot be. We will not accept it and the President has determined that there will be no treaty because what's the use of having a "best efforts" when you're not even sure of it. Look, up to now they have not paid the full amount which they promised under the current agreement.

Q: So what will happen next if there is no treaty?

A: Then we will invoke the current agreement which provides that at the end of the time for the U.S. to go, then we will sit down with the U.S. and agree on withdrawal procedures which should begin on Sept. 17 this year.

Q: Can they do it?

A: Of course, they will ask us for time to withdraw. That is expected. You know last May when we presented our termination notice, they received it but they did more than what (Iraqi Foreign Minister) Tariq Aziz did with the letter of (US President George) Bush. (Laughs).

Tariq Aziz did not even accept it. They (members of the U.S. panel) accepted the letter but in accepting it, they said, "we don't agree with it."

Their interpretation of the Ramos-Rusk language, which admittedly has its ambiguity, was that they should have a year's notice. At the end of the notice, they won't go because they believe that there must be notice filed at the end of the agreement. But even if we have no treaty, we should give them maybe a year to withdraw. That's reasonable enough.

Q: On the fate of the four smaller facilities, what were agreed upon?

A: There were tentative agreements for them to withdraw immediately from Camp John Hay, Capas, Wallace. In the case of Wallace, because there's a radar there which is used by both the Philippines and the U.S., we will allow them to stay, to run the radar for two years at the end of which, we will have a new radar. In the case of O'Donnell, there is a sophisticated piece of equipment there which is used in the bombing range at Crow Valley. We will take O'Donnell to allow their operators to run this. In the case of San Miguel, we will take over immediately, with our Marines occupying the whole base. However, we will give those who are staying there now and working at Subic some time until they are relocated.

Q: What about Clark and Subic?

A: Clark ... we will take it over right away and we will lease the southern runways for commercial operations, for international airports. The west side will be under the Philippine Air Force [PAF]. In connection with that, we will allow the Military Airlift Command to stay under the PAF.

Q: When will the final round of talks be?

A: February, beginning of the second week or end of first week. We cannot fix the exact date yet.

Q: What if there will be no agreement on this final round?

A: We have already a tacit understanding. That's the final round and we will finish it.

Q: Including the signing?

A: The signing is another question. I suppose that both sides would like to sign it on the ministerial level but there is no hard and fast rule about who should sign treaties as long as the signer is authorized by his government.

Q: Last time, you were talking about burden-sharing by Philippine neighbors with regard to the bases upkeep. What do you have in mind in proposing this idea?

A: Well, those who feel that they are benefitted by the U.S. position here perhaps should be asked to share.

Q: In what way? Can we force them to accept our position when they are not even a party to the treaty?

A: That is correct. All we can do is get the U.S. to move with the Philippines in getting these countries to share. Now, for instance, there are already tentative talks about using the compensation to back up bonds that we will issue to them which we could sell at a premium. For example, when you issue bonds to Singapore and tell Singapore, "If you have this bond, we will consider that you're helping us. For one thing, you'll be getting interest." In fact, it would be a concessional interest.

In other words, we should not expect that the interest that we will be getting here would be competitive with the interest if they invested in other things.

This is, by the way, a scheme which is already about to be implemented by our Department of Finance in connection with the agreement that I signed with the U.S. You know that part of the compensation package was the agreement, which I mentioned to you just now, originally to twist the arms of the U.S. Department of Treasury to agree to the use of official money, in this case the ESF [Economic Support Fund] ... rapidly disburse ESF to enable the Philippines issue bonds backed by the U.S. which we are going to use to buy debt paper with no private tax.

Q: Is there a limit on the amount?

A: The limit, of course, is the amount itself that is contained in ESF and our own selection of how much of that amount to be used to back up the ESF which is $160 million a year. That's $320 million for two years, 1990 and 1991. But they agreed that even the 1989 ESF should be used. That was the hard fight that we had to make in 1988 to, again, let me repeat that, because we were able to avail of my presence there in Washington, to get the treasury to make a 180-degree turn in its policy. That is already being started by the Department of Finance, that debt reduction program of the '89, '90, '91 ESF.

But in the forthcoming treaty, we would rather not have categories like MAP (military assistance program) or ESF. We would rather just have cash that will not be subject to conditionalities.

The normal process for all treaties, not just this one, but all treaties, is negotiations first, then signing and ratification. That's normal, although constitutionally, I suppose that Congress could call a referendum on anything at anytime.

Q: But there is another interpretation to this because of the device "and" in the constitutional provision which says "and if Congress so decides," the treaty can be submitted to a referendum.

A: Of course, if the Senate rejects it, there can be no treaty. The view of the congressmen, however, is that the word "and" does not mean after. It means it is a companion device to test the acceptability of the treaty. Therefore, you can hold it (referendum) before. Sabi naman ng Senate, paano naman 'yan? (The Senate said, What's this?) If the public has already approved it, how can the Senate now reject it? Or if the public rejects, how can the Senate ratify it when it's against the will of the public?

But then, there's a bill in Congress, and the congressmen said no matter what the Senate thinks, we will still approve it—to consult the people before the Senate ratifies it. But that cannot prosper, you know, because even the Senate must approve that bill and pass it.

Now the only way you can try something, if not to try through the regular procedure, is to have a resolution passed by both Houses.

Q: Can this public consultation be done through executive initiative?

A: I suppose yes. It can be done by local governments, or the NGOs [non-government organization] or even the press or the private sector. But that's too risky and you may get the ire of the Senate.

You know we should be very careful of surveys. Like, one survey which showed many were in favor of bases retention. But if you look at the language of the question, it was loaded because the question was "Are you in favor of the continuation of the bases with their huge benefits to the Filipino people?" (Laughs) How much more loaded can you get?

Of course, if you ask me, "Gusio mo ba ito? Malaki ang benepisyo niyan (Do you like this? It will give you many benefits)?" Of course, you like it. Imagine with the huge benefits (laughs) that's loaded! So we don't really know how to ask it.

Q: Have you come up with a definition of access?

A: That's also a very important world. Access, in ordinary language, would mean you have the capability of entering, staying, for either a finite or fixed period.

Now when we say commercial access, we mean you can come, bring your ship and repair at our ship-repair facility. That is commercial access. But their (Americans') concept of access is much broader. For them, it means, "Okay, we can go there but we should also have the capability of maintaining our presence." After the duration, let's take, for the sake of argument, five years, they said they still wanted continued access. So what does that mean? For them, when they use access it means they come, aside from bringing their ship, repair and must have a certain presence, a naval supply depot, a naval magazine, and accompanying this, they must have personnel. And how many do they mean? They're talking thousands. In other words, parang nandoon na rin sila (It's as if they're still there), of course less than what they have now. But it's the same. So I said, "Hindi maaaari yan (We can't allow that)."

In the case of MAC [Military Airlift Command] and Crow Valley, they can stay but they will be attached to the PAF but only for another two years. Originally, what we wanted was to regard the MAC which, by their own description, is comparable to a commercial airline operation. But they said it was not possible due to budgetary rules. They said they cannot officially regard MAC to be a commercial operation. So we said, Okay, we will attach it to the PAF. If we do that, then they must submit themselves to the number of years and duration that we will ultimately agree upon in the case of Subic. But after the duration, no access for Clark and Subic. They didn't want it. Eh, we cannot accept their concept of access.

Q: How will the payment be in the case of access? Will it be "pay as you enter-pay as you use"?

A: That can be a subject of further discussion but certaintly they have to pay in accordance with the character, quantity that we service them. In the case of Crow, even now, they will continue using it for bombing but they have to pay for that use. How will the payment be? in the beginning, we were talking about the flying hours. They said that's too messy and difficult to calculate. So they said, "Why don't we just pay a flat annual fee for using Clark?" Just as if you're paying a country club membership fee.

Q: Secretary Bengzon before was talking about pressures being exerted by some government officials on the Philippine panel to extend the bases agreement and even mentioned names like Gen Renato de Villa, Secretary (Jesus) Estanislao, (Central Bank Gov) Jose Cuisla.

A: Well, during a morning breakfast forum, Bengzon was asked the question if there has been any pressure and his answer was yes. (Laughs)

But then he used the word "understandable" and of course, he was accepting the word "pressure" not necessarily in its pejorative sense. He mentioned officials but he said it is "understandable" that they should take that position because they have their own duties to perform.

My reaction to that, first of all, is that I always like to remain people that he used the term "understandable."

Second, my view is that we are in a free society and people are free to tell me what they feel, what we should do about the bases and I don't consider that as pressure.

If there are officials who are in our family, in the Cabinet, I don't regard their telling me, "Look, what you're doing affects what I'm doing." I don't consider that as pressure. He should have explained a little more when he used the term pressure.

Q: What about you? Have you been pressured by certain officials or sectors into accepting U.S. arguments on the bases?

A: Well, for example, when I went to the U.S. Congress to explain to them our problems, when some of these U.S. officials, senators and congressmen told me to let the bases stay here, is that pressure or is that democratic persuasion? (Laughs)

You see, we are living in an open society. I don't think when these senators come here, when Armitage came here and talked to our officials and people, I don't think they are pressuring us.

New Armed Forces Deputy Chief Sworn In

HK2501105191 Manila DIYARYO FILIPINO in Tagalog 25 Jan 91 p 8

[By C. Manansala]

[Text] Former Philippine Army [PA] Chief Lieutenant General Guillermo Flores took his oath of office as the new vice chief of staff of the Armed Forces of the Philippines [AFP], replacing Lieutenant General Rodolfo Biazon, in a simple ceremony in Camp Aguinaldo yesterday.

At the same time, former chief of the 102d Brigade 1st Infantry Division of the PA, Brigadier General Regino Lacson was appointed new AFP deputy chief for operations, as the former chief of the 2d Infantry Division assumed his new position as the National Capital Region Defense Command chief.

The new appointees vowed they would do their best in carrying out their duties.

Cardinal Sin's Stance on Presidential Race Viewed

HK2801062391 Quezon City MALAYA in English 28 Jan 91 p 4

[Editorial: "Sin Looks at '92"]

[Text] What's the world coming to? Jaime Cardinal Sin, archbishop of Manila, has apparently given up on President Aquino and is now searching for somebody who can provide the vision as well as the necesary skills to lead the country.

Was it only about a year ago that the good Cardinal, while visiting the U.S. West Coast, was reported as saying Mrs. Aquino owed it to God and country to seek another term? Is this the same prince of the Church who would, if he could, canonize Mrs. Aquino for leading the struggle to overthrow the Marcos government?

Strange indeed is the handiwork of God. But stranger still are the twists and turns of politics.

According to a Reuters report, Cardinal Sin is of the belief that the next president must have a clear vision to lead the country.

"I think the future is bright, very bright, because the country has very rich natural resources. Only the management of the country was very poor.

"So we should search for somebody who can manage, who can lead us," Cardinal Sin was quoted as saying.

He added that Mrs. Aquino was "a mere housewife" when she took power and "was not trained to lead." But lest it be said that the Cardinal has completely turned his back on Mrs. Aquino, he stressed that the former housewife should be credited for putting in place the "pillars and structures of democracy."

For close observers of the normally voluble Cardinal, this sounds like the faintest of praise indeed. What gives? Is it because during the ongoing Second Plenary Council of the Church, clergy and laity alike have expressed displeasure at the Church's growing involvement in politics? There is a growing consensus that the Church should return to its traditional role of nurturing faith and molding morals. The calls may have finally been heard beyond the high walls of the archbishop's palace in Mandaluyong.

A less showy, less noisy Cardinal should be most welcome. He should keep his mouth shut outside the areas of his competence. To take but one example, the observation that the country is "very rich in natural resources" might be true when the good Cardinal was in school in the 1930s, but is is not longer the case. The country's forests are virtually gone, most of the mines are exhausted, the seas no longer bountiful, no new land is available for agriculture. The earlier the reality that the country is natural resource-poor sinks into the minds of the leadership, the faster can the economy be transformed from an exporter of low-valued primary products to an exporter of finished products. On this score, the Cardinal's observation makes only for unrealizable expectations.

But perhaps we are guilty of over-reading the Cardinal's statements. He may have given up on Mrs. Aquino, but his interview suggests he is displeased merely with the actor, not the play.

The Cardinal, like many of his fellow Edsans [Epifanio de Los Santos Avenue revolution participant], sounds like he's regretting that the opportunities given Mrs. Aquino were squandered. But he appears ready to anoint her successor. He said he favors a younger man, and Executive Secretary Oscar Orbos appears to fit the bill. He said: "I feel that this Orbos is becoming popular.-..Since he is very popular and it seems he is a man of action, I do believe that he might be the one."

Orbos surely will feel embarrassed by this thinly-disguised endorsement by the Cardinal. When Orbos took over from Catalino Macaraig, he said his main ambition was to see to it that the wheels of government kept turning efficiently until Mrs. Aquino finished her term, and for his boss' administration to be remembered more kindly than the presidency that presided over his country's slide to economic ruin and political instability.

That could well be Orbos' self-appointed mission, but there is the possibility that some forces behind the scene cannot leave the unfolding drama well alone. Mrs. Aquino, during the multisectoral crisis meeting a the start of the year held at the Asian Institute of Management, said whoever in her Cabinet would perform best would get her support as presidential candidate. Now Sin is echoing the theme.

The big joke on all of us is that Cardinal Sin and President Aquino may have come to an understanding and are now preparing our minds for their chosen presidential candidate in 1992. They're perfectly within their rights to settle on Orbos, but one wishes there were less manipulation and hypocrisy.

Thailand

Muslim Separatists Said Planning Terrorism

BK2901023491 Bangkok THE NATION in English 29 Jan 91 p A3

[By Srirot Sukphinyo]

[Text] Special Branch police are keeping a close watch on suspected Muslim separatist guerrillas believed to be planning pro- Iraqi terrorist acts in Bangkok, police sources said yesterday.

The sources said seven suspected members of the Barisan Revolusi Nasional (BRN) and Pattani United Liberation Organization (PULO) Muslim terrorist groups from the lower South arrived in Bangkok last Friday and might be working on kidnapping plans that would target Westerners.

The seven might also be planning to sabotage offices or factories where many Westerners work and entertainment places frequented by them, said the sources, who spoke on condition of anonymity.

The sources quoted a highly classified order from the Special Branch headquarters directing the agency's officers to keep a close watch on the suspected separatist group.

"The order said responsible officers must report the progress of their work regularly to their superiors," one of the sources said.

The Thai separatists might expect "some rewards" if they succeeded in attacking Western targets here, the sources said.

Iraqi President Saddam Husayn, whose troops are occupying Kuwait, has called for a jihad, or a holy war, against worldwide interests of Western countries fighting Baghdad in the Persian Gulf.

The police sources downplayed reports that Malaysia was stepping up security at its border with Thailand to prevent "pro-Iraq terrorists" from crossing into the neighbouring country.

A foreign news agency reported that the heightened security followed confidential information passed by Thai authorities to their Malaysian counterparts.

Thai authorities have publicly denied foreign allegations that Bangkok was a likely base for pro-Iraq terrorism, and said the extensive security blanket covering the city was a precautionary measure.

Prime Minister Chatchai Chunhawan yesterday repeated his denial that Thailand was a centre for terrorism.

"We are a tourist centre, not a centre for terrorism," he said.

The prime minister also denied knowledge about a reported plan for him to give a live interview with the CABLE NEWS NETWORK to deny the "unfounded" reports about terrorist activities here.

Deputy government spokesman Utsa Salamala had contacted the CNN as well as anchorman Somkiat Onwimon's media company, which holds a contract to broadcast CNN Gulf war coverage here, to arrange for a live interview between Chatchai and the international CABLE NEWS NETWORK. Utsa later cancelled the plan.

Utsa denied that Chatchai had ordered him to set up such an interview. The prime minister [PM] yesterday confirmed the deputy spokesman's statement.

"I know nothing about it," Chatchai told reporters. "If you want more information, you should ask Somkiat."

The prime minister also said that the Gulf war has affected the Thai tourist industry "only slightly".

PM's Office Minister Kon Thappharangsi, who oversees the country's tourism, said last week the Middle East crisis was having considerable effects on the tourist industry, Thailand's biggest source of revenue.

Chatchai said he had returned from Phatthaya where local people said they felt only "slight impact" of the war in the Gulf.

Police Keep 'Special Surveillance' on Arabs

BK2901030491 Bangkok THE NATION in English 29 Jan 91 p A3

[Text] Police are keeping a special surveillance on certain Arab visitors in Thailand to prevent possible terrorist attacks in connection with the Gulf hostilities, Police Director General Pol Gen Sawat Amonwiwat said yesterday.

Sawat said while the tight security operations go on as usual, Thai police will cooperate with Interpol officials and foreign embassies to identify and locate the persons suspected of plotting terrorist activities in Thailand.

Those found involved in any terrorist movement will be immediately deported, he said.

Referring to his policy in administering the Police Department, Sawat said he will introduce measures to enable more concrete improvement in the police bureaucracy and eliminate internal conflicts.

The police, he said will also emphasize the creation of unity among police personnel and an increase of fringe benefits for non-commissioned policemen.

Sawat said the Police Department has its own way of solving the existing conflicts within the Crime Suppression Division [CSD] but he would not disclose it now.

He was referring to the longstanding standoff over internal police affairs betwen CSD Commander Pol [Police] Maj Gen Seri Temiyawet and former Central Investigation Bureau Commissioner [CIB] Pol Lt Gen Bunchu Wangkanon as well as other CSD officers.

Bunchu was transferred from the CIB, which oversees the CSD, last week and given a new post of assistant police director general.

3 Deported Arabs Returned After Entry Barred

BK2901021691 Bangkok BANGKOK POST in English 29 Jan 91 p 1

[Text] Three Arabs were yesterday deported to Malaysia under suspicion of involvement in terrorism—but they were flown back to Bangkok last night after authorities in Kuala Lumpur refused to let them in.

Malaysian Airlines would not even let the Arabs on their scheduled flight out of Bangkok.

Thai security handling the deportion of the Arabs hurriedly changed plans and put them on a Thai Airways International jetliner.

Two Iraqis, Muhammad Ali and Mahmud Muhammad, and Jordanian Radi Shammari had earlier been prohibited from boarding a Malaysian Airlines jetliner.

The grounds for not letting them on the plane were that the airline had stopped accepting passengers with Iraqi travel documents since last week.

The trio was then taken aboard Thai Airways International flight bound for Kuala Lumpur. But they returned to Bangkok on the same flight after they were refused entry to Malaysia.

The three Arabs, including another Jordanian, had been held in "preventive custody" at the Immigration Police Division since last Monday.

They had been picked up at a Bangkok coffee shop after a security alert.

No charges were laid.

The second Jordanian who was not deported yesterday is still behind bars at the Immigration Police Division for allegedly overstaying his visa.

He has reportedly been in Thailand for more than a year and is married to a Thai.

Meanwhile the U.S. Embassy yesterday issued a fresh warning to U.S. citizens to beware of possible terrorist attacks in Thailand and neighbouring countries.

"The embassy believes that the worldwide terrorist threat will continue into the foreseeable future," said the statement. This was a renewal of last week's State Department's warning of a "credible threat" of terrorist attacks in Thailand.

The alert initially covered only 48 hours, but it was later extended.

Army Commander Suchinda Cites Securtiy Concerns

BK2901031691 Bangkok THE NATION in English 29 Jan 91 p A3

[Text] Security warnings and advice concerning possible terrorist activities given by American and other foreign governments, not Thailand's own security beef-up, have caused the sharp drop in tourist arrivals, a senior military officer said yesterday.

Army Commander in Chief Gen Suchinda Khraprayun told a meeting of army unit commanders at the Army Auditorium yesterday that according to local tourism officials and tourists he has talked to, foreigners have been advised not to come to Thailand after warnings that it was a likely centre for terrorist attacks against Western interests and people, said Army Secretary General Maj Gen Anuson Kritsanaserani.

The army chief added that the security beef-up by police and the military at foreign embassies and other major installations has nothing to do with the declining number of visiting tourists, Anuson said.

PM's [Prime Minister's] Office Minister Kon Thappharangsi said last week that the warnings issued by the American and other embassies against possible terrorist activity following the outbreak of war in the Middle East have negatively affected the number of visiting foreign tourists and hurt tourism-related businesses in Thailand.

Suchinda was yesterday quoted as saying that military personnel were deployed on security missions at embassies and other foreign installations under an order by Supreme Commander Gen Sunthon Khongsomphong in his capacity as director of the Internal Security Command.

The tight security will continue, although there have been no terrorist activities during the period mentioned in the warnings by the foreign embassies, the army reportedly said.

Anuson said representatives of army units that are monitoring the war situation in the Middle East told the meeting yesterday that all army personnel and radio station officials were instructed by their superiors to withhold personal comment on possible terrorism in the country.

The army chief acknowledge the instruction without adding any observation and the restriction consequently was regarded as army policy, said Anuson.

Editorial Urges Vigilance Against Terrorism

BK2801015191 Bangkok THE NATION in English 28 Jan 91 p A8

[Editorial: "A terrorists' centre?"]

[Text] The allegation that Thailand was the "logistics centre" for pro-Iraq terrorists operating in Southeast Asia hit the country, particularly its tourism industry, so suddenly that the Chatchai administration could do little to soften the blow.

Since the Iraqi invasion of Kuwait on Aug 2, the number of tourists coming to Thailand has dropped about 10 per cent. After the war broke out on Jan 17, the number dropped further with the number of cancelled tours estimated at 20 per cent.

The terrorist alert issued by the US, British and Australian embassies in Bangkok last week, coupled with an allegation published in the LOS ANGELES TIMES last Thursday in which a Filipino official was quoted as charging that Thailand was the "logistics centre" for pro-Iraq terrorists (arrested in the Philippines) gave foreigners—especially potential tourists—a great deal of concern about public safety in Thailand.

International news agencies also spread around the world photos of riot policemen and soldiers beefing up security in front of a few of the more vulnerable Western embassies in Bangkok. Some Thai military leaders disclosed that covert action was being taken against some "suspects". These, unfortunately, reinforced the impression that Thailand was "unsafe" for foreigners, especially Westerners from the countries waging war against Iraq now.

Consequently, the number of cancelled tours reportedly increased to 30 per cent. The Thai press matter-of-factly reported all these developments and sought daily comments from Thai leaders. The excitement about the charge that Thailand was a base for terrorists then took on a life of its own, feeding on the daily comments of Thai leaders who kept reiterating statements about mundane security measures and denying the allegation.

A deputy spokesman for Government House even thought about inviting a Cable News Network (CNN) team to interview the prime minister live on worldwide television. But the initiative was quickly snuffed, and quite wisely so, by the prime minister's advisers who saw nothing to be gained from such an attempt. At best, CNN would give the prime minister a few seconds for his denial. And viewers around the world would wonder whether he was trying to cover up something serious.

In truth, the security threat in Thailand has been overblown. The terrorist alert was issued by three Western embassies in Bangkok—not by the Thai government. The United States, Britain and Australia have issued similar warnings to their nationals in many other countries.

The decreasing number of tourists visiting Thailand should not be confused as evidence of a "security risk" in Thailand. People from the countries in the US-led coalition have naturally cancelled their overseas trips because their countries are at war. It would be rather awkward for them to go on holiday while their fellow countrymen are risking their lives in the Persian Gulf.

International travel has been adversely affected by the war around the globe. Cancelled flights to and from the Middle East and route diversions caused inconvenience. Threats of indiscriminate terrorist attack against all Western interests also discouraged would-be tourists from overseas trips.

The economic recession in Western countries, particularly the United States, has also reduced the number of Western tourists. In times of economic trouble, overseas trips are among the first things that people cut back on.

Thailand had no control over these developments. All the tourist destinations in this region—Bangkok, Hong Kong, Singapore and Bali—have seen the number of incoming tourists diminishing since the outbreak of the war.

The allegation that Thailand was the terrorists' "logistics centre" apparently stemmed from the fact that Thailand, particularly Bangkok, is fast becoming the hub of international travel in this region. Last year more than five million visitors came to Thailand. The allegation made not much msore sense than to charge that Vienna, Paris, London are "logistics centres" of pro-Iraq terrorists in Europe and New York is for North America.

For argument's sake, we can assert that Thailand is much safer than many countries in this part of the world where there are sizeable Muslim populations and where pro-Iraq demonstrations have involved violence. In Thailand, the leader of the Muslim community has openly opposed Saddam Husayn's claim that the war against the US-led coalition is a "jihad".

Those who showed sympathy for Iraq mostly did so because they abhorred the war in general and the massive Western air attack on Iraq in particular, but few openly endorsed the Iraqi annexation of Kuwait by force. This is the attitude widely held by most Thais, and indeed most people everywhere.

Some opposition MPs have charged that Thailand practically "invited Iraqi wrath" by sending medical volunteers to Saudi Arabia. The fact is that these Thai volunteers are there to treat the estimated 80,000 Thai workers stranded in the Arabian desert kingdom. The Philippines and Singapore have also sent medical volunteers, and in fact, Singapore's volunteers reportedly went straight to helping British military hospitals in the Gulf region.

All in all, now it is too late to deny the "terrorist centre" allegation. The best way to counter such a misconception by foreigners is to maintain our vigilance against all forms of terrorism and disturbance. There is just no room for complacency.

Rightly or wrongly Thailand has often been referred to as the "sex centre of Asia" though the "sex industry" here is not much larger or different from that in a few other Asian countries. We certainly don't need the additional reputation of being the "logistics centre" for terrorists of any group and affiliation.

Columnist Remarks on Denial of Terrorist Threats

BK2901122391 Bangkok THAI RAT in Thai
29 Jan 91 p 3

[Column by Chalam Khieu: "The Advantage of War"]

[Text] I was shocked by a small piece of news in the coverage of the war in the Persian Gulf carried by THAI RAT newspaper. It said that M.R. Pridiyathon Thewakun, the spokesman of the Prime Minister's Office, was contacting the Cable News Network, to arrange for an interview with Prime Minister General Chatchai Chunhawan for a worldwide telecast. The prime minister would thus be given a chance to deny the reports which say Thailand is a center of an international terrorist network.

It is correct to deny such a report, and we must deny it because such news is harmful for our national image. Anyway, we must be cautious in some measures taken.

I believe that government authorities in charge of intelligence work know whether the U.S. warning holds truth, and I believe the government itself knows the truth.

It is unlikely that the United States cooked up the story just to frighten Thailand or out of ill will toward Thailand.

There was substance to the warning. It was based on an account given by an Arab who arrived in Thailand before the war broke out. He was sent here for terrorist operations to be carried out with help from accomplices who were spread around in various countries in this region.

One of the men in the mission changed his mind and contacted the U.S. asking for political asylum. He requested U.S. citizenship in exchange for "secrets" concerning the terrorist movement. His confession revealed the identities of the two leaders of the terrorist network in Thailand, and the entire network was also sold to the United States.

This is why the United States knows everything. The Arab man has not been given U.S. citizenship. When the war broke out, the United States immediately warned Thailand about what it had learned.

We have deported the two Iraqi nationals whose names were given as terrorist leaders. We cannot arrest them because of diplomatic immunity. And based on this information, the Philippines as well as many other countries have expelled Iraqi diplomats from their countries.

Who are those people we have expelled? What are their positions? There are many other things I know but have been asked not to reveal for the sake of good relations between our countries.

I discuss this at length because I fear that if we keep on denying things, the United States might unleash a punch and reveal even more details. This would be a great embarassment for us. The denials we have made are sufficient.

General Sunthon Khongsomphong must know that there is some truth to the report. That is why he said he does not care about the criticism asking why troops have been deployed to guard foreign embassies. He said he would go ahead with this measure.

Concerning the ongoing war to crush Iraq, I had a chance to exchange views with some generals in the Army staff. I asked them how the Thai Armed Forces are affected by this war. The answers are: 1. A war can happen anytime at any place and under any circumstance. Therefore, the Thai Armed Forces must always be prepared, in terms of weapons, even when there is no war. 2. We must keep our troops well trained. 3. We must be prepared for mobilization of reservist forces. 4. We must always check the durability and the expiration time of our weapons.

The Army staff officers confirmed to me that Thailand has a sufficient amount of anti-aircraft batteries and they are efficient and highly sophisticated. This includes anti-aircraft artillery equipped with radar which is very accurate.

We even have missiles, but we do not have the Patriot type because nobody wants to sell it to us.

Army Media, Officers Barred From Gulf Comment

BK2901032591 Bangkok BANGKOK POST in English 29 Jan 91 p 1

[Text] Army-run television and radio stations and Army officers have been told to avoid commenting on news about terrorism threats in Thailand in connection with the Gulf war.

But the stations can continue to present foreign news reports on the war Army secretary Anuson Kritsanaserani said yesterday.

Maj-Gen Anuson said the Army policy was made known during yesterday's monthly meeting of commanders of army units, chaired by Army Chief Suchinda Khraprayun, when the situation in the Persian Gulf was raised for discussion.

Under the policy, Army officers are to avoid making comments on news reports on terrorism in Thailand in relation to the Gulf War. This also applies to all Army-run television and radio stations, he said.

The Army runs a large number of radio stations and two television stations—Channels 5 and 7.

Suspected Burmese Troops Rob Border Village

BK2901044191 Bangkok THE NATION in English 29 Jan 91 p A2

[Text] Mae Sot, Tak—A group of 20 Burmese, suspected of being Rangoon troops, robbed and burnt down the houses of four families near this border town, Thai villagers and authorities said yesterday.

Arun Wila, 25, whose house was among the four robbed and burnt said the incident took place on Thursday when the unidentified Burmese group crossed the Moei River to the village of Mae Kon Kaen Mai.

Arun said the Burmese fired their weapons into the air when they entered the village, prompting him and residents of the other three houses to flee in fear.

He said the Burmese burnt down three corn storage barns and hauled off Bt [baht] 44,000 in cash, some television sets, water pumps and a motorcycle before setting the houses on fire.

Arun said he suspected the raiders were Rangoon troops because the area opposite his village was under control of the Burmese Government, not the ethnic Karen rebels.

Thai district officials on the Thai-Burmese Joint Border Committee said they had asked Myawaddy officials to investigate the incident.

The Thai officials said they had asked their Burmese counterparts to seek the return of the stolen items as soon as possible.

Deputy Tak Governor Prathip Ngamnin yesterday visited the village.

Speaking to reporters after inspecting the burnt houses, Prathip said he would ask provincial Thai Red Cross and Public Welfare officials to provide emergency relief to the four families.

He said property damage was estimated at over Bt100,000.

The deputy governor said military personnel were deployed to patrol remote villages following the raid.

Downed Pilot Returned by Phnom Penh Forces

BK2901041391 Bangkok BANGKOK POST in English 29 Jan 91 p 2

[Text] Aranyaprathet—The Thai pilot who crashlanded an L-19 spotter plane in Cambodia last Wednesday has been returned to the Thai Army, an officer of the Burapha Task Force said yesterday.

The officer, however, did not say when the pilot, Sub-Lt [Sub-Lieutenant] Prinya Chayaphong, of the 2nd Infantry Regiment, arrived back in the country.

After the L-19 crashlanded, Sub-Lt Prinya was sent by Heng Samrin troops to Phnom Penh for interrogation.

His return followed negotiations between Thai and Cambodian military officers at a bridge across the Khlong Luk border canal.

The plane, which was damaged, was expected to be returned in a few days, the officer said.

The return of Sub-Lt Prinya was confirmed yesterday by Army secretary Maj-Gen Anuson Kritsanaserani.

Meanwhile, the bridge across Khlong Luk, which has been closed for about 13 years, was being repaired yesterday by about 20 Thai Border Patrol Police.

Foreign Minister Leaves for Lao Funeral

BK2801074191 Bangkok Domestic Service in Thai 0530 GMT 28 Jan 91

[Text] Foreign Minister Athit Urairat left this morning for Vientiane, Lao People's Democratic Republic, as the representative of the Thai Government at the funeral of the late Sali Vongkhamsao, Laos' vice chairman of the Council of Ministers.

On the occasion, the Thai foreign minister will also take the opportunity to hold consultations with Phoun Sipaseut, Laos' minister of foreign affairs, and Nguyen Co Thach, Vietnam's vice chairman of the Council of Ministers and foreign minister, who will also be participating in the ceremony.

Athit will exchange views with his counterparts on relations and cooperation in various areas between Thailand and each of the two countries. The discussions will focus on the developments in the settlement of the Cambodian problem within the UN framework, as well as the progress in the development project for the lower part of the Mekong River basin.

Lao Farmers 'Illegally' Occupy Thai Island

BK2401014691 Bangkok BANGKOK POST in English 24 Jan 91 p 6

[Text] Laotian troops have been posted near the Thai border to protect a group of their countrymen who have illegally occupied an island on Thai territory, the Thai military says. The island is in the middle of the Mekong River.

The Laotian troops have been posted opposite Chiang Saen District in Chiang Rai Province, said Lt-Gen Narudon Detpradiyut, spokesman for the Supreme Command. They are squatting on the land to engage in farming, he said.

He blamed a local Thai businessman for bringing in the Laotians to farm Don Kham island in the middle of the Mekong. The island is on Thai territory and there is a treaty agreement to prove it, he said.

Lt-Gen Narudon said the Thai military was concerned that the illegal presence of the Laotians and the deployment of Laotian troops in Bo Kaew—opposite Chiang Saen District—might cause problems between the two countries. But he said authorities had taken "appropriate action" against the businessman.

He also made a general appeal to all businessmen living along the Thai-Laotian border to refrain from undertaking any self-serving actions which might jeopardise relations between Thailand and Laos.

Lt-Gen Narudon said Laotian military leaders had adopted a policy of avoiding problems with Thailand.

Border patrols have also been stepped up to prevent smuggling, he said.

USSR Trade Delegation Arrives, Meets Chatchai

BK2801100691 Bangkok Domestic Service in English 0000 GMT 28 Jan 91

[Text] A trade delegation led by the chairman of the Administrative Committee of Krasnoyarsk in the Soviet Union, Mr. Valeriy Ivanovick Sergeoco met Prime Minister Chatchai Chunhawan at Government House last Friday during the delegation's visit to Thailand from 25-29 January 1991.

Mr. Sergeoco said that his delegation will be exploring closer trade ties with Thailand through barter trade. Items to be bought from Thailand include rice, maize, tapioca, food products, and garments. Krasnoyarsk, on the other hand, can offer crude oil, cement, and pipe steel to Thailand on the barter trade system.

The prime minister told the Soviet delegation that Thailand, as a developing country, demands both raw materials and machinery for her development projects. The country has also embarked to a new phase of development as a manufacturing state not relying on primary products as in the past.

The Soviet trade delegation has plans to meet with authorities and representatives of enterprises and companies in Thailand wishing to trade with the Soviet Union during its five-day visit.

USSR Offers 'Unlimited' Oil

BK2701022591 Bangkok BANGKOK POST in English 27 Jan 91 p 3

[Text] The Soviet Union has offered to sell Thailand an unlimited quantity of every type of oil, Prime Minister Chatchai Chunhawan said yesterday.

The premier said the offer was made by Soviet trade representatives who met him on Friday. He did not elaborate.

Concerning reports Iraq released crude oil into the Persian Gulf, Gen Chatchai said this should have nothing to do with Thailand's oil situation.

He said Thailand had resorted to acquiring more oil from within the region than from the Middle East.

"Don't worry. Just keep watching the situation," he said.

Prime Minister, Malaysian Trade Minister Meet

BK1901020191 Bangkok THE NATION in English 19 Jan 91 p B8

[By Peter Maitri Ungphakon, Oranuch Anusaksathien, Kulachada Chaipipat]

[Text] Prime Minister Chatchai Chunhawan agreed yesterday that the proposed East Asian Economic Grouping should be discussed at the ASEAN Summit scheduled to be held in Singapore towards the end of the year, a senior Malaysian minister said.

Dato Seri Rafidah Aziz, Malaysia's international trade and industry minister, said Chatchai also told her at their meeting at Government House yesterday that he would raise the issue in the Thai Cabinet.

She welcomed what she described as Thailand's positive response to the proposal first mooted by Malaysian Prime Minister Mahathir Mohamad in early December. Commerce Minister Amaret Sila-on and Foreign Minister Athit Urairat also responded favourably to the idea when she met them on Thursday, Rafidah said.

The Malaysian minister was speaking in an interview with THE NATION and at a press conference towards the end of a three-day visit to Thailand. Rafidah has already met leaders in Singapore and Indonesia to explain the proposal and will continue her tour of ASEAN with meetings in Manila starting tomorrow and in Brunei next week.

Thailand has also agreed that the idea should be developed formally at a meeting of senior ASEAN foreign affairs and economic officials proposed for next month, and that a separate meeting could be held as soon as possible—perhaps in early February—in Kuala Lumpur so that ASEAN and its neighbours can discuss ways of breaking the deadlock in the Uruguay Round of world trade talks, Rafidah said.

Together with endorsement from Singapore, Indonesia's willingness to discuss the idea, and Philippine President Corazon Aquino's positive written reply to Mahathir on the subject, Thailand's response means that "it's clear that the concept is now well-received," Rafidah said. Previously officials and ministers in these countries had not had the opportunity to study the details, she added.

Thai officials confirm their willingness to participate in these meetings. They note that Indonesia—which currently chairs ASEAN meetings—has more reservations about the idea of setting up a new economic group and has not yet issued invitations for a joint foreign/economic affairs meeting. They say they have urged Jakarta to send out the invitations.

Privately, some Thai officials also express scepticism about the effectiveness of yet another group in a region that already contains ASEAN and the Australian-promoted Asia-Pacific Economic Cooperation (APEC) forum.

Their interpretation is that Thailand is politely willing to hear what Malaysia has to say rather than being an enthusiastic supporter. They note that ASEAN's own efforts at economic cooperation have achieved little so far. In her interview with THE NATION, Rafidah denied that ASEAN is unable to cooperate on trade and investment. Before the 1987 ASEAN Summit in Manila, the group's emphasis had been on political issues, she said. Therefore the new economic cooperation measures agreed at the Summit have had too little time to bear fruit yet, she insisted.

During her tour of ASEAN, Rafidah has been stressing three key principles. The East Asiand Economic Grouping should:

—be consistent with the international free trade rules of the General Agreement on Tariffs and Trade:

—be "parallel" to APEC, which at present consists of the ASEAN six, Australia, New Zealand, Japan, South Korea, the United States and Canada, and could eventually include China, Hong Kong, Taiwan, Mexico, Chile and even the Soviet Union;

—strengthen ASEAN—including making sure that decisions about the group are initially agreed by all ASEAN members.

The immediate objective of the new group would be agreement in the Uruguay Round. In the longer term, members would try to develop the economic potential of the region, reduce trade barriers within the group and push collectively for market opening outside, Rafidah said.

The group would be useful whether the Uruguay Round is concluded successfully or not, she said.

The region is one of the most dynamic in the world, and the task of the group's founders is to identify areas of cooperation that would build on the dynamism.

APEC would not be undermined, because it already has seven programmes for cooperation, with Thailand and Malaysia serving as "co-shepherds" for two programmes each, Rafidah said.

APEC's programmes include cooperation on technology, communications, trade data and human resources development.

Rafidah said the new group would be different because its membership would be restricted to ASEAN and its "neighbours"—including Indochina and Burma, which are not being considered as members of APEC in the near future—and because its activities would concentrate on direct economic activity within the region.

The proposed membership includes ASEAN, Japan, South Korea, China, Vietnam, Laos, Cambodia and Burma, but not the United States, Canada or any other country on the other side of the Pacific.

Whether or not Australia and New Zealand would be considered "neighbours" would depend on ASEAN as a whole. Rafidah would not be drawn on whether Malaysia wants to include these two.

"There is no exclusion list. ...Everything depends on ASEAN," she said.

The Malaysian government has informally given the Japanese, South Koreans, and Chinese a "synopsis" of the proposal through their embassies in Kuala Lumpur, but not yet Taiwan.

Rafidah denied that the Japanese reaction was negative. Initial comments from Tokyo arose because of reports of a "trade bloc", she said. Now, although there has been no official Japanese reaction, the Japanese can see the positive side because the group would conform with GATT and would not "distort" trade.

Japan would inevitably play a leading role in the group because of its economic strength, and would be able to represent ASEAN and its neighbours in meetings of the Group of Seven (G-7) most advanced industrial nations, Rafidah said. When making decisions on financial and monetary issues, G-7 decisions would then be based on a "more realistic evaluation of developing country needs".

Oil Exploration Documents Exchanged With Malaysia

BK2201074391 Bangkok THE NATION in English 22 Jan 91 p B2

[By Pichaya Changson]

[Text] Thailand and Malaysia yesterday signed and exchanged crucial documents which regulate the exploration and production of petroleum resources in overlapping territories in the Gulf of Thailand.

A joint authority comprising seven representatives from each country will be established as a legal entity to decide on the exploration, production and profit-sharing activities in the so- called joint development area (JDA) said Charan Achalaphuti, deputy governor of the Petroleum Authority of Thailand (PTT).

The overlapping area covers 7,300 square kilometres and comprises three concession tracks. The first concession belongs to Malaysia's state oil firm Petronas Corp.

The second plot will be jointly developed by Petronas and Triton Oil Corp and the PTT Exploration and Production Ltd, the production arm of Thailand's state oil firm, will cooperate with Petronas in developing the third track.

According to a preliminary study, the reserve of natural gas in that area amounts to 3.5 trillion cubic feet. It is believed that there might be oil reserves in the area as Esso Standard Co, given the concession by the Malaysian Government, has found crude oil flowing at a rate of 3,000 barrels a day.

The seven members proposed by the Thai side include the directors general of the Department of Mineral Resources and of the Foreign Ministry's Department of Treaties and Legal Affairs, and representatives from the Customs Department, the Petroleum Authority of Thailand, the Juridical Council and the Hydrographic Department. The list of members has to be approved by the Cabinet.

Both sides will recruit 20 employees to work at the headquarters of the organization in Songkhla, Thailand. The permanent office will be built on a vacant plot of land owned by the Songkhla provincial office of the Department of Mineral Resources.

The office will be managed by a Malaysian chief executive for two four-year terms before handing it over to a Thai managerial team. Each term will last four years.

This condition was reportedly in exchange for Malaysia agreeing to set up the headquarters in Thailand. The management will draft a profit-sharing contract to govern the exploration and production in the overlapping area.

Charan said that the documents have been ratified by the parliaments of the two countries and will take effect today.

Thailand and Malaysia were represented by their foreign ministers at the ceremony yesterday. The signing and exchange of ratification of instruments on joint authority was witnessed by all the ambassadors from ASEAN countries to Thailand.

Diplomatic Relations With Swaziland Announced

BK1901123291 Bangkok Domestic Service in English 0000 GMT 18 Jan 91

[Text] Thailand and Swaziland have officially announced the establishment of their diplomatic relations. A joint communique to that effect was issued simultaneously in both countries this week.

According to the communique, Thailand and Swaziland wished to promote friendly relations and bilateral cooperation on the basis of international law principles calling for respect for each other's independence, sovereignty, and integrity, as well as noninterference in each other's internal affairs. As a result, both countries agreed to establish diplomatic relations at the ambassadorial level as of 17 January 1991.

Vietnam

War Reaction: Neutral Stand, Iraqi Sympathies

BK2601050791 Bangkok THE NATION in English 26 Jan 91 p A4

[By Kawi Chongkitthawon]

[Text] Hanoi—Vietnam's attitude toward the ongoing Gulf War is more than skin deep. On the surface, Vietnam has adopted a neutral stand on the crisis by urging both sides to stop fighting as soon as possible. But deep down inside, sentimentally speaking, Vietnamese people's sympathies lie with Iraq and support its war against the coalition forces led by the United States —Hanoi's old foe.

Throughout last week's conflict, Vietnam along with other Indochinese countries, has adopted a low profile by avoiding black and white commentaries officially. They did not come all out to condemn the annexation of Kuwait by Iraq, neither did they say anything about the allied forces trying to liberate Kuwait by force after the Jan 15 deadline.

Government-controlled newspapers here did report on the progress of war, using wire dispatches. However, when it comes to editorials or commentaries on the war, they are non-committal.

For example, the army newspaper, Quan Doi Nhan Dan, ran a commentary last week on the Gulf situation and said mankind's intellect and conscience must be mobilized fully during these dangerous hours to save peace.

On Tuesday [22 January], the party newspaper Nhan Dan, called for the immediate end to the fighting before it developed into a greater catastrophe.

Beyond that, common folks' reactions are mostly sympathetic toward Iraq. They also likened the Gulf War with the Vietnam War and recalled the horror of aerial bombings and life under such attacks. "I understand how the Iraqi people feel under heavy bombings," said a hotel receptionist.

Senior Vietnamese citizens and veterans, who went through the wellknown 12-day Christmas bombing of Hanoi in 1972, said that the massive bombings by the US and allied air force in Baghdad could not scare off the ordinary people or determine the success of war.

"When the US bombed us, it strengthened our resolve," said a former colonel, who retired from the army two years ago. He said he was confident that the Iraqi leader Saddam Hussayn would be able to survive the heavy bombardments.

A Vietnamese official, who monitors the Gulf crisis and the flow of the Vietnamese workers from Iraq, said that the massive and non-stop aerial bombings of Baghdad is the lesson the US learned from the Vietnam War. "The Americans have corrected mistakes they made during the Vietnam war, now they bomb without any let-up," the official said.

He pointed out that during the US bombardment of Hanoi, the US Air Force did pause from time to time to assess the damage. "But in the Gulf War, since the war broke out the US and its allies have never stopped the bombing," he said, adding that this pattern will continue before the allies engage the ground troops.

As in the Korean War and the Vietnam War, the official said that the US infantrymen, fighting in an alien environment, could be bogged down in fighting. He said Iraq's aim is to prolong the war for as long as possible to weaken the allied forces. "Aerial attacks cannot decide the outcome of war."

He said another difference between the Vietnam War and the Gulf War is that the war strategies of the US and Iraq are widely reported and discussed in the media—the US wants a quick victory, but Iraq wants the war to drag on.

During the Vietnam War, the official said, it was only Vietnam that had to suffer alone while the ongoing war in the Gulf affects the global economy. "The war cannot go on for years," he said.

The Gulf War has also driven out thousands of Vietnamese workers from Iraq, who have brought in the much needed hard currency. A foreign ministry official here said that by the end of this week, the remaining 2,000 workers and 180 nurses would be evacuated from Baghdad, with assistance provided by the European Community. About 16,000 Vietnamese workers have already come back to Vietnam.

Prices of basic commodities have also risen, especially gasoline. Although Vietnam's oil is imported from the Soviet Union, the price of gasoline has increased twice since Iraq's invasion of Kuwait last August.

Vietnam was named as one of the 18 underdeveloped countries affected by the United Nations trade sanctions against Iraq, according to a report by a UN subcommittee. It recommends that international lending institutions provide assistance to improve these countries' economies.

Radio Says Negotiated End to Gulf War Possible

BK2801134991 Hanoi International Service in English 1000 GMT 28 Jan 91

["Radio commentator's opinion"]

[Text] Only an hour after the outbreak of the Gulf war, commanders of the United States and allied forces released hopeful news and statements about the war. Their optimism has made people believe that with a lightning operation the White House would win victory right in the first air raid against Iraq. Nonetheless, three days after the Operation Desert Storm was launched, U.S. President George Bush had to warn people not to be too optimistic about the war. He said that the war might last for weeks. Although the U.S. and its allies have conducted over 10,000 air raids against Iraq and Kuwait, they failed to materialize their hope to win a quick victory. Even today that hope is fading out.

Meanwhile, U.S. troops and their allies have been demoralized. They are not as [word indistinct] as in the first days of the war. A U.S. pilot told a Radio BBC correspondent about his bombing mission against Iraq. He said that when he came near the target, he hastily dropped the bombs then flew away to avoid Iraqi anti-aircraft forces. If not, he added, I would not have returned to my dear ones.

However, U.S. and its allied forces continue their air raids to pave the way for ground forces attacks. On Saturday [26 January] alone, 2,600 air attacks were conducted against Iraq. This was the heaviest air attack since the beginning of the war. Military analysts predicted a ground attack launched by U.S. and allied forces would meet no less difficulty. Victory is not easy for the White House because U.S. ground troops, who are used to cold weather, will have to first [word indistinct] in the desert with scorching heat, sand and dust. Besides, the gas masks weighing four kg each they have to don also limit their fighting capacity, excluding the terror attacks launched by Iraqi forces and thick smoke from burning oil wells in Kuwait which pollute the air. Obviously, in that situation, the war is not easy for the United States and its allies as they failed to achieve victory in the first days.

If the White House is resolved to crush Iraq while President Saddam Husayn is determined to fight back, the war will certainly last longer. This is not the desire of the world public because, first and foremost, the war will play havoc with the people living in the Gulf region as well as in the countries involved in the war. Economic losses will be enormous. In only five months following the Gulf crisis, almost all Iraq's industrial and energy establishments stopped working. Oil output decreased to the lowest level of 600,000 barrels a day in comparison with 2.5 million barrels previously. It is estimated that Kuwait lost about six billion dollars in oil export. Meanwhile, Washington is spending at least 500 million dollars a day on the war. This excludes the unforeseeable consequences if the warring sides use chemical weapons.

Foreseeing the dangerous and serious consequences of the consequences of the war, many countries have tried their best to search for a peaceful solution to put an end to the war. People hope that the U.S. and Iraq will [words indistinct] of the war and enter into negotiations. It is not late for the warring sides to negotiate in order to end the war.

Vo Chi Cong Visits Saigon Cigarette Factory

BK2801053491 Hanoi Domestic Service in Vietnamese 2300 GMT 27 Jan 91

[Text] During his working stay in the Southern provinces, Comrade Vo Chi Cong, Political Bureau Member and State Council Chairman, visited the Saigon cigarette factory, one installation of Vietnam Union of Cigarette Establishments which last year achieved effective production and business. Leaders of the union and the factory warmly welcomed and showed Chairman Vo Chi Cong around to see the various chains of production in the factory.

In 1990, despite shortages of raw materials, the factory dynamically overcame problems, actively conducted production and business, firmly grasped the market and dispositions of consumers, and actually ran business with good results. The factory achieved 127.34 percent of main products and delivered 76.7 billion dong to state budget.

As the traditional Lunar New Year festival is nearing, Chairman Vo Chi Cong conveyed the New Year greetings of the party central committee, the council of state and the council of ministers to all the cadres and workers of the factory. He also took some time to meet and exchange views with the workers and leaders of the factory on how to remove difficulties and solve the outstanding problem of state investment in production and business in order to produce more high quality cigarettes to substitute totally all kinds of imported cigarettes and to meet the demands of consumers even better. The factory should strive to produce 385 million packs of assorted cigarettes under the 1991 plan, including 185 million packs with filters and 100 million packs of high quality cigarettes with filters.

Cadres and workers of the Saigon cigarette factory pledged with Chairman Vo Chi Cong to resolutely fulfill the 1991 plan in order to remain worthy of the Labor Order recently awarded by the council of state to the factory.

Visits Hau Giang Province

BK2901070391 Hanoi Domestic Service in Vietnamese 1430 GMT 28 Jan 91

[Text] From 20 to 22 January 1991 Comrade Vo Chi Cong, Political Bureau member and chairman of the Council of State, paid a working visit to Hau Giang Province. Comrades Le Thanh Nhan, party Central Committee member and secretary of the provincial party committee; Nguyen Ha Giang, party Central Committee member and chairman of the provincial people's committee; and Major General Nguyen Le, 9th Military Region commander, warmly welcomed the State Council chairman.

On behalf of cadres and combatants in the province, Comrade Nguyen Ha Giang expressed the honor of receiving the State Council chairman on the first days of the new year and reported to the chairman the achievements scored by Hau Giang Province in 1990.

On behalf of the party Central Committee and the State Council, Chairman Vo Chi Cong praised the achievements scored by Hau Giang Province and repeatedly urged the provincial leaders to strenuously adhere in 1991 to the positions, policies, and lines of the central government and promptly apply them to the local situation in order to overcome socioeconomic problems, increase production, improve the people's livelihood, and fulfill all socioeconomic objectives.

The State Council chairman reminded the Hau Giang Province leaders of the need to attentively strengthen internal solidarity, maintain good relations between the party and administration and the people in accordance with the spirit of using the people as the base; intensify the management of cadres, material facilities, and assets of the state; oppose corruption and waste; and remedy the working procedures, emphasizing effectiveness and quality in production, business, and work in order to ensure successful implementation of the set objectives.

Nguyen Van Linh Visits Cu Chi Cigarette Firm

BK2901143191 Hanoi Domestic Service in Vietnamese 2300 GMT 28 Jan 91

[Text] On the morning of 25 January, Comrade General Secretary Nguyen Van Linh visited tobacco planting areas in Cu Chi District of Ho Chi Minh City and the Ben Thanh Cigarette Factory together with Comrade Nguyen Cong Ai, vice chairman of the Ho Chi Minh City People's Committee, and leading comrades of the commerce section, the party committee, and the people's committee of Cu Chi District.

The local leading comrades reported to the general secretary that in the last few years, to implement the general secretary's instructions, the Ben Thanh Tobacco Factory has developed the potential for planting Virginia tobacco in Cu Chi. After two years of experimental cultivation, this year the factory is starting to plant the tobacco extensively. Seedlings, fertilizer, and technique are provided by the factory and peasants are responsible for tending the crop. After harvest, the tobacco will be sold to the factory at an agreed price. With this arrangement, the factory has provided jobs for peasants and exploited local resources.

The general secretary asked the peasants about income earned by planting Virginia tobacco compared with planting other industrial trees. The general secretary also visited the Pham Van Cu State Farm where six hectares of Virginia tobacco planted in cooperation with the Ben Thanh factory yielded a better crop than the previous year and provide more jobs for its workers.

Returning to Cu Chi, the general secretary visited the Ben Thanh Tobacco Factory which belongs to the Ho Chi Minh City Industrial Bureau. Comrade Nguyen Van Anh, head of the Industrial Bureau introduced Comrade Nguyen Van Linh to the Caravan A cigarette production plant and equipment used to process the tobacco. The latter also examined the factory building structure.

General Secretary Nguyen Van Linh urged the factory management board to make plans to cultivate tobacco using locally made materials in production to reduce foreign currency spent on imports, to set a reasonable price for the peasants so the attachment between agriculture and industry can be created, and to strive to cut production costs to contribute to fighting against importing foreign cigarettes.

Le Quang Dao Visits Ben Tre, Cuu Long Provinces

BK2601103991 Hanoi Domestic Service in Vietnamese 2300 GMT 24 Jan 91

[Text] National Assembly Chairman Le Quang Dao recently paid working visits to Ben Tre and Cuu Long Provinces. He welcomed the efforts of party organizations, administrations, and people in the two provinces to maintain production and to gradually improve the people's livelihood despite difficulties.

He specified that Ben Tre and Cuu Long Provinces should concentrate on accelerating grain production, continuing to develop their advantages in sea and gardening economies, and emphasizing the exports processing industry. He said: In the current complex world situation, we must uphold self-reliance and national unity and firmly maintain political stability in order to build the economy, develop production, and stabilize and improve the people's livelihood.

During his stay in Ben Tre, Chairman Le Quang Dao also visited and worked in Chau Thanh district, Ben Tre town, Thuan Dien village of Giong Trom district, the 22d refrigeration factory, and production installations of the union of coconut processing factories.

In Cuu Long, Chairman Le Quang Dao visited Uncle Ho's temple in Long Duc village of Tra Vinh Town, the Cuu Long Corporation, Chau Thanh district, and some project sites in the district such as the Tam Phuong hydroelectric power project and the Song Ky factory.

He also called on (Ca Song Kut) hamlet and (Ka Hem) farm of the Khmer people in Hang Giang Village of Tra Cu District. He was warmly welcomed by large numbers of Khmer monks and people who reported to him their achievements during the periods of resistance against France and the United States and since the liberation.

On behalf of the National Assembly and the Council of State, Chairman Le Quang Dao appraised the Khmer people's great contributions to the revolutionary struggle and national construction.

On this occasion, he elaborated on the correct policies of our party and state toward the people of all nationalities, including the Khmer people. He expects the Khmer people to bring into play their traditional patriotism and solidarity, actively engage in productive labor, and contribute to national construction and defense.

Dao Dinh Luyen Addresses Defense Workers

BK2801075391 Hanoi Domestic Service in Vietnamese 2330 GMT 27 Jan 91

[Text] Last week, Factory Z-113 of the General Department of National Defense Industry and Economy solemnly held a ceremony to receive the title of "heroic unit" of the People's Armed Forces.

Speaking at the ceremony on behalf of the party Central Committee Military Commission and the Ministry of

National Defense, Comrade Senior Lieutenant General Dao Dinh Luyen, member of the party Central Committee and deputy defense minister, commended Factory Z-113 for its achievements and urged its cadres, workers, and personnel to thoroughly understand the party's policy of renovation and uphold the sense of self-reliance in order to study ways to change technique and improve product quality.

The comrade senior lieutenant general also urged the factory to combine national defense industry production with other economic activities and pay more attention to the livelihood of its cadres, workers, and personnel and those entitled to various social policies along with firmly maintaining or constantly expanding production to promptly and abundantly satisfy the new requirements of the revolution, thus making itself always worthy of the honorable title awarded by the party and state.

Attends Armored Car Force Meeting

BK2901105491 Hanoi Domestic Service in Vietnamese 1400 GMT 28 Jan 91

[Text] The armored car force just held a technical meeting to review the 1990 work and to plan the 1991 work for the whole force. The meeting gladly received Comrade Colonel General Dao Dinh Luyen, member of the party central committee, vice minister of national defense, and director of the Technical General Department of Vietnam People's Army who visited and spoke at the meeting.

The meeting highly valued the affirmation by the force party committee and commander of the Armored Car Force from the beginning of last year that assurance in technique is their first duty. The specialist sections in the force technical department have changed their working attitude and working method in order to monitor army units closely so they can instruct the units quickly and effectively.

The housing areas, armored car bunkers, and storage facilities have been built correctly. So far, in the tank units of the force many bunkers for army vehicles have been built for long term use. The work of maintenance, preserve, input, and output have improved more than the previous years and contribute to limit the degradation of vehicles and technical equipment.

About the direction of this year's technical work, the meeting unanimously agreed to develop self-reliance, to save in technical work, to place technical work as one of the first priorities, to constantly maintain the "good maintenance, longer use, safety, and saving" movement, and to concentrate on effectively solving practical problems in input, output, maintenance, using, and repairing in technical research.

General Doan Khue Inspects Army Officers School

BK2801045591 Hanoi Domestic Service in Vietnamese 2330 GMT 27 Jan 91

[Text] General Doan Khue, member of the party Central Committee Political Bureau, deputy minister of national defense, and chief of the Vietnam People's Army [VPA] General Staff, recently visited Army Officers School No. 2 and inspected its training work.

After he was briefed by the school commander on what has been or has not yet been done in the 1990-91 academic year and inspected practical training activities at the school, General Doan Khue urged cadres, instructors, cadets, combatants, workers, and personnel of the school to develop the achievements they have recorded while distinctly perceiving and promptly overcoming their shortcomings in order to improve the school's training quality.

General Doan Khue also pointed out the need for them to pay special attention to modifying the organizational system and training methods of the school in an effort to turn it into an exemplary school in the field of training and in organizing all aspects of daily life, as well as to make it worthy of being the center to train the younger generation for the country.

VRC Responds to War Victims Protection Campaign

BK2801152091 Hanoi VNA in English 1452 GMT 28 Jan 91

[Text] Hanoi VNA January 28—The Central Committee of the Vietnam Red Cross (VRC) today organized here a press conference on the World Campaign for the Protection of War Victims.

Dr. Do Duc Luong, deputy secretary general of VRC and campaign coordinator in Vietnam, pointed to the aim and significance of the campaign as well as Vietnam's activities in response to it. According to him, such activities have been organized in Vietnam as the collection of signatures, the organization of children's painting competition themed peace, exhibitions on the protection of war victims, the mobilization for raising funds in support of war victims.

Meetings Held With U.S. on Resettlement Program

BK2601155891 Hanoi VNA in English 1450 GMT 26 Jan 91

[Text] Hanoi VNA Jan. 26—Vietnamese and U.S. specialists met here on January 24 on issues relating to those Vietnamese who had worked for the former U.S.-backed Saigon army and administration and had been released from re-education centres and Amerasian children.

They met here again yesterday to discuss measures aimed at accelerating the Orderly Departure Programme (ODP).

The meeting which took place in a constructive and cooperative atmosphere were crowned with positive results.

Leaders Send Condolences to Kaysone Phomvihan

BK2501155591 Hanoi VNA in English 1506 GMT 25 Jan 91

[Text] Hanoi VNA Jan. 25—Vietnam party and government leaders today sent deepest condolences to their Lao counterpart over the passing away in Vientiane on Jan. 23 of Sali Vongkhamsao, Politburo member and secretary of the Lao People's Revolutionary Party Central Committee, vice chairman of the Council of Ministers, and minister of economy, planning and finance.

The joint message, signed by party General Secretary Nguyen Van Linh and Chairman of the Council of Ministers Do Muoi, was addressed to Kaysone Phomvihan, Lao party general secretary and chairman of the Council of Ministers.

The message says:

"In the past decades, Comrade Sali Vongkhamsao made important contributions to the constant consolidation and development of the fraternal friendship and close cooperation between Laos and Vietnam... He passed away, the party, government and people of Vietnam lost a very close friend".

National Assembly Delegation Leaves for Indonesia

BK2501153791 Hanoi VNA in English 1504 GMT 25 Jan 91

[Text] Hanoi VNA Jan. 25—A delegation of the Vietnamese National Assembly [N.A.] headed by its Chairman Le Quang Dao left here today for an official friendship visit to Indonesia at the invitation of the chairman of the People's Consultative Assembly of Indonesia.

The delegation includes Mrs. Nguyen Thi Binh, head of the N.A. Commission for External Relations; Prof. Nguyen Dinh Tu, head of the Commission for Sciences and Technology; and Duong Xuan An, deputy head of the National Assembly's Economy, Planning and Budget Commission.

Soviet Petrol Venture Achieves Monthly Plan

BK2801074891 Hanoi VNA in English 0715 GMT 28 Jan 91

[Text] Hanoi VNA Jan. 28—In the first half of January this year, the Vietnamese-Soviet petroleum joint venture (VIETSOVPETRO) exploited 128,000 tons of crude oil, achieving 102 percent of its monthly plan.

VIETSOVPETRO plans to exploit 3.5 million tons of oil this year. For this target, it will repair 24 oil wells, and put 15 new wells into operation. Besides, it has spent billions of Vietnamese Dong in repairing and upgrading airport, ware houses, electricity and water supply systems in service of oil exploration and water supply systems in service of oil exploration and exploitation operations.

Tran Duc Luong Receives Belgian Trade Minister

BK2501153191 Hanoi VNA in English 1500 GMT 25 Jan 91

[Text] Hanoi VNA Jan. 25—Tran Duc Luong, vice chairman of the Council of Ministers, had received Belgian Foreign Trade Minister Robert Urbain and his party before the latter left here this afternoon, concluding a three-day visit to Vietnam.

Speaking to his guests, Vice Chairman Tran Duc Luong highly appreciated the results of the Belgian minister's visit and expressed his wish for further development of the friendship and cooperation between the two countries.

On Jan. 24, Minister Vo Dong Giang, vice chairman of the State Commission for Cooperation and Investment, and Minister Robert Urbain signed an agreement on investment safety between the two countries.

While here, Minister Robert Urbain and working sessions with leading officials of the Foreign Ministry, the State Planning Commission, the Ministry of Finance, the Ministry of Communications Transport and Posts, and the Vietnam State Bank.

This afternoon, Minister Robert Urbain and Minister Hoang Minh Thang signed minutes of the working sessions between the two sides in acknowledgement of the new development of relations between the two countries and the two sides' determination to step up and broaden their multi-faceted cooperation.

Fiji

Australian Envoy Comments on Trade, Ties

BK2801071691 Melbourne Overseas Service in English 0500 GMT 28 Jan 91

[Text] Australian companies have invested in 14 of the 98 new ventures established in Fiji under the country's free trade zone, according to the Australian ambassador in Suva, Mr. Robert Cotton. In an Australia Day message broadcast by Radio Fiji, Mr. Cotton said this investment plus the 28 percent growth in Australian exports in the past financial year, will (?boost) the long-term confidence Australian companies have in Fiji's economy.

He said the Australian Government continues to be encouraged by Fiji's move to deregulate its economy and to lower tariffs, and hopes to build on the growth in trade and investment. Mr. Cotton also said Canberra had noticed the progress being made by the interim administration towards a return to parliamentary government.

Annual Imports Top 1 Billion Fiji Dollars

BK2701092191 Hong Kong AFP in English 0819 GMT 27 Jan 91

[Text] Suva, Jan 27 (AFP)—Fiji's annual import bill for the first time topped one billion Fijian dollars in 1990—boosting the visible trade deficit eight per cent to 251 million dollars (177 million U.S.), official figures said.

The Bureau of Statistics said Saturday that imports reached 1.02 billion dollars (710 million U.S.) last year while exports earned 764 million dollars (535 million U.S.), a 21 per cent rise over 1989.

Economists attributed Fiji's soaring import bill to the government's cut in import duties as part of its deregulation measures.

Australia continues to be Fiji's major trading partner, absorbing 18.8 of exports and accounting for 28.4 per cent of imports.

New Zealand

Local Muslims Pledge Not To Join In Terrorism

BK2901062891 Hong Kong AFP in English 0608 GMT 29 Jan 91

[Text] Wellington, Jan 29 (AFP)—New Zealand's small Moslem community said Tuesday it had no intention of heeding an Iraqi call for international terrorist retaliation against Western interests.

Federation of Islamic Associations official Khalid Sandhu said representatives of the 7,000-strong community had met here over the weekend and decided it did not accept such orders from Iraq and wanted peace in the Middle East.

He said he did not know of Iraqis here and so could not speak on their behalf but he believed terrorist attacks would achieve only a backlash in New Zealand.

Foreign Minister Suggests Oil Spill Solution

BK2901114091 Hong Kong AFP in English 1102 GMT 29 Jan 91

[Text] Wellington, Jan 29 (AFP)—New Zealand wool could be used to mop up the Gulf oil spill, Foreign Minister Don McKinnon said in a statement Tuesday.

The wool, processed in a revolutionary new way, is being used in oil containment booms being manufactured here.

Mr. McKinnon said he was happy to consider any proposals on ways New Zealand could contribute to the clean up.

"The oil slick in the Gulf is an unparallelled environmental disaster," he said. "The sooner efforts are made to clean up the mess, the better."

The process turns cross-bred and coarse wool into spheres or knops which float, even after soaking up oil.

It is understood, however that the size of the Gulf slick would require more wool than the recession-hit New Zealand industry produces. Australia's fine wools are not believed to work as well.

Christchurch's Donaghys Textiles Ltd has just begun using the process to make the booms, using wool knops.

Company spokesman Hugh Ross said they consist of small spheres of wool, exploiting wool's natural ability to attract grease.

It has the capacity to absorb up to 40 per cent of its own weight in viscous oils. Being a natural product, it is also biodegradable and non-pollutant, and performs best with heavier oils such as crude oil, he said.

Mr. Ross said the main problem would be getting the booms into the Gulf quickly to prevent the spill causing further damage. It would need to be transported by air and military aircraft would possibly be required.

Because of the size of the spill the booms would be used for damage control rather than containment. They may also protect desalination plants used to provide water for Gulf states, Mr. Ross said.

The U.S.-led coalition forces fighting to expel Iraq from Kuwait say the Iraqis deliberately poured oil into the Gulf. Baghdad says the allies caused the spill by bombing Iraqi tankers.

The last time war was good for New Zealand sheepfarmers was during the Korean conflict, when the freezing conditions on the battlefront saw wool prices climb. The price then was "a pound for a pound" (pound sterling for a pound in weight), unrivalled since.

Papua New Guinea

Bougainville Rebels Refuse To Destroy Arms

BK2501105691 Hong Kong AFP in English 1020 GMT 25 Jan 91

[Text] Honiara, Jan 25 (AFP)—The Bougainville Revolutionary Army (BRA) will not destroy its arms even though the peace agreement it signed with the Papua New Guinea Government this week requires it to do so, Bougainville leader Joseph Kabui said Friday.

"Both sides had agreed during discussions on the draft agreement that the part that says the BRA will destroy its arms should be deleted," Mr. Kabui said in an interview, adding, "as the result of a typing error it had been left in."

Mr. Kabui said he did not realise this until he had signed the document, which was hailed as ending a two-year secessionist war that cost more than 100 lives.

"If the part is left in the agreement then it does not cover the spirit of the peace agreement," he said, adding that he would raise the matter with Papua New Guinea Foreign Minister Sir Michael Somare, the leader of Port Moresby's team at the peace talks.

Mr. Kabui said that BRA leader Sam Kaouna, whom he contacted Thursday, welcomed the accord saying it was important that the government agreed that a neutral force should supervise the restoration of services.

Mr. Kaouna said that without the multi-national supervisory team there would be no guarantee of peace for the people of Bougainville.

Officials said Thursday that under the document Port Moresby agreed to withhold security forces from Bougainville while restoring services suspended in May when the BRA declared independence.

The agreement allowed for a multi-national task force to supervise the surrender of weapons by Bougainville militants, the officials said.

Interim Government Planned for Bougainville

BK2801071291 Melbourne Overseas Service in English 0500 GMT 28 Jan 91

[Text] The Papua New Guinea Government is to appoint an interim government for Bougainville. The provincial affairs minister, Father John Momis, says it will be the caretaker government for the suspended North Solomons Provincial Government and will aim to facilitate peace, reconciliation, and rehabilitation.

Father Momis has indicated that it will include representatives from all areas of Bougainville, including the outlawed Bougainville Revolutionary Army.

Meanwhile, the government is also in the process of appointing a task force to be made up of lawyers, economists, and engineers, to coordinate the restoration program.

Father Momis, who describes the Bougainville peace agreement as a victory for the Melanesian people, says the government is now concentrating on the reconstruction of Bougainville and will deal with the question of political independence at a later date.

Multinational Force Invited To Oversee Peace

BK2801093591 Hong Kong AFP in English 0846 GMT 28 Jan 91

[Text] Suva, Jan 28 (AFP)—Australia, New Zealand and Malaysia are willing to participate in a multinational peacekeeping force to oversee the restoration of links between Papua New Guinea and its breakaway island of Bougainville, Port Moresby's Foreign Affairs Minister Sir Michael Somare said Monday.

"Australia has responded well, so has New Zealand and the Malaysia representative here," Sir Michael said by telephone Monday.

"We will be asking Canada, and perhaps our Pacific friends Fiji, Vanuatu and the Solomon Islands, for similar police and army in this multinational force."

He said the idea was to have a multinational police and army force because the Bougainville leaders do not want Papua New Guinea troops involved. "There is still very bad feeling," Sir Michael added.

Port Moresby and the leaders of the self-proclaimed interim government of Bougainville Island, whose 140,000 inhabitants have been without essential services since last year, resolved last Wednesday to resume normal ties between them.

Port Moresby agreed to restore services including health, education and communications in return for the Bougainville Revolutionary Army [BRA] laying down its arms.

Bougainville representative Joseph Kabui, who negotiated in the three-day talks in Solomon Islands capital Honiara last week, said over the weekend that the BRA would not destroy its arms as stipulated in the peace accord.

This was because that provision was included in the final document without his consent, Mr. Kabui said.

Sir Michael said Monday however that "destruction of arms is a minor point of dispute and it should not be allowed to become a fresh problem."

Trouble on the island started in May, 15, 1989 when the BRA militants forced the closure of the huge copper mines on Bougainville after attacks on expatriate owners following claims of unfair royalties.